

# *Matzikama Municipality*

## *Annual Report*

**matzikama**



*2015/16*

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## CHAPTER 1

### COMPONENT A: MAYOR'S FOREWORD

I am honoured to introduce the Annual Report 2015/16 of Matzikama Municipality to all our stakeholders and in particular our citizens.

The Annual Report of the municipality which is both a legislative as well as accountability requirement must be prepared by the municipality in terms of Section 46 of the Local Government: Municipal Systems Act No. 32 of 2000 (MSA) and Section 121 and 127(2) of the Local Government: Municipal Finance Management Act No.56 of 2003 (MFMA), for each financial year. It must be tabled by the Executive Mayor within seven (7) months after the end of each Financial Year.

The content of this report or any other Annual Report assist municipal councillors, municipalities, citizens, oversight institutions and other users of the Annual Report with information and progress made on service delivery by the municipality. It also provides a record of the activities of the municipality during the financial year to which the report relates and reflects on performance against the budget of the municipality for the financial year 2015/16. It further promotes accountability to our local community for the decisions made throughout the year by the municipality.

This Annual Report reflects on performance achieved during the last year of my Council's term of office. In retrospect, Council approved and adopted in 2012 the following vision for the 5-year Integrated Development Plan 2012/17 for the municipality: *"Matzikama, a safe and joyful place where a healthy educated, informed and compassionate community share in the welfare"* with mission statement *"Provide to the wider community affordable, quality services and products through good governance and effective and sustainable utilization of all resources and infrastructure"*.

To give effect to the above vision and mission of the municipality we developed, approved and adopted the following five (5) strategic objectives, namely:

- ≈ Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment;
- ≈ To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) to promote long-term financial sustainability;
- ≈ To promote a transparent and caring Municipality that is accountable to its citizens;
- ≈ To promote access to adequate, affordable and well maintained municipal basic services;
- ≈ To the development of an environment that maximise the social well-being of the citizens of the Matzikama Municipality especially the poorest of the poor and other vulnerable groups;
- ≈ To capacitate all communities to participate in the development processes of the Municipality; and
- ≈ Promote responsible and accountable usage of the Municipality's spatial environment to sustain the natural and built assets.

The highlights and successful accomplishments referred to in detail in this report were all undertaken in line with the above listed strategic objectives.



Our Executive Mayoral Councillors and Strategic Management Team furthermore had a three (3) day Strategic Session on 30 June 2015 as part of strengthening the relationship between Council & the Administration as well as strengthening Municipal processes that does not comply with MFMA and relevant municipal legislation.

However the operational and capital budgets of the municipality responds to the socio-economic reality and addresses the eradication of existing backlogs in terms of water and sanitation, electricity and refuse removal; the Matzikama Municipality's demographics, social and economic indicators reflect a growing population which is accompanied by rapid growth in the number of households that demand basic services in terms of housing and the latter basic services.

It is evident that demand management has become increasingly necessary as the country faces water shortages which will urge the municipality to re-evaluate the cost and benefits of targeted provision of free basic services subsidies for water. We would like to extend our appreciation to citizens for their contribution in conserving our natural resources and encourage everyone to use water more sparingly.

Through Local Economic Development initiatives the Department of Rural Development and Land Reform (DRDLR) approved the Agri-hub for Matzikama which will support the development of black farmers and land has been identified for this purpose. Furthermore the Mining Qualification Authority (MQA), in partnership with the National Skills Development Fund (NSF) launched a youth programme on 03 December 2015 in Vredendal to empower 130 youth through skills development programmes namely, Diesel Engineering, Electrical Engineering and Welding to contribute to solving unemployment. This intervention will also help retain the skills for the West Coast region, in particular the mining and mineral sector. With the assistance from TRONOX, funding was made available to conduct an EIA which is needed for the application process for the establishment of four more 300 ton abalone farms along the coast and the municipality is grateful for the intervention.

Significant progress was made to transfer applicable land surrounding the Olifants River Estuary to the registered owner that will enable the establishment of an Olifants River Estuary Conservation Area.

In strengthening public participation structures and communication with all municipal stakeholders, the municipality received financial support from the Department Local Government to employ staff in the new financial year (2016/17) to support Ward Committee functionality. This will enable the municipality to move progressively towards the social and economic upliftment of our local communities and participatory governance.

Despite the challenges experienced over the year under review, I would like to express my sincere gratitude to all councillors, management, officials, citizens and stakeholders for their hard work and contributions. I am confident that the new elected Council, in joining forces with the Administration, will overcome most of the challenges faced and build on successes leading Matzikama Municipality to a financially stable municipality.



**PATRIC BOK**

**EXECUTIVE MAYOR**



## COMPONENT B: EXECUTIVE SUMMARY

### 1.1 Municipal Manager's Overview



This report represents a record of the municipality's performance for 2015/16 financial year under review. The annual report supported by the audit report for the same year is a reflection of hard work and persistence by the management along with the necessary changes made with regards to the running of the municipality and appropriate oversight by both spheres of management.

As eluded by the Executive Mayor, Matzikama Municipality once again experienced a challenging financial year under review. For the past financial year the organisation was not in a financial position to contribute towards the capital budget and this has had a direct consequence on the provision of infrastructure services. Despite the difficult time experienced the municipality remained committed to render quality services to the communities of Matzikama Municipality.

The northern part of the municipality remains a challenge due to the vast area it covers and the fact that it relies on aquifers as the only source of potable water. Little economic development opportunity exists and this area is largely dependent on cross subsidization as very little support is forthcoming from the other spheres of government.

I am proud to announce the completion of the construction of the 2ML raw water dam as well as the refurbishment of the old Bitterfontein reservoir during the year under review. A lot of effort were put in by municipal officials to ensure that citizens are provided with quality water services i.e. fully compliant water quality, quick response to fix leaking pipes and replacing old water meters which contributed to reduction of water losses. The existing Waste Water Treatment Works in Klawer has been upgraded to a Sequencing Batch Reactor (SBR) system, including new sludge dams and pipelines. New sewer pipelines were also constructed for Bitterfontein to replace septic tanks.

Despite the weak financial position of the year under review Matzikama Municipality was rated under the top 20 (fifteenth place) for best performing municipalities in the country for financial year 2015/16. More of our successes and highlights on services delivered for the year under review are included within the relevant chapters in this report.

We acknowledge the contributions made by all our stakeholders through funding support, local businesses and the loyal citizens as the above successes and achievements would not be possible without them. Unfortunately the level of dependency on government grants and transfers highlights certain risks of the municipality's ability to generate own funds to sustain capital projects in the future.

Due to the lack of adequate funds, rehabilitation and maintenance of existing infrastructure is in competition with the need to extend services to poor communities. The average condition of the road network within the municipal area can be rated as fair to poor consequently to restore the existing condition of the roads, the Municipality will have to budget extensively over the next few years.

Along with the good stories, the municipality are faced with certain challenges as further mentioned in this report.

Since the resignation of the Municipal Manager in 2013 the municipality continued to operate without a municipal manager which puts a strain on the existing officials and compromises their effectiveness in delivering on their responsibilities. At the end of March 2016 the municipality faced the resignation of the Chief Financial Officer (CFO) who was also the Acting Municipal Manager at the time, and appointed Mr Elias van der Westhuizen (Manager: Income) as Acting CFO from April 2016 until end of July 2016.

In conclusion, I would like to thank all staff throughout Matzikama Municipality for their effort and support. Their commitment and dedication, in the midst of our challenges, to serve the community of Matzikama Municipality surely is commendable.

A handwritten signature in black ink, appearing to be 'J. Swartz', written on a light-colored background.

**JAN SWARTZ**

**ACTING MUNICIPAL MANAGER**

## 1.2 Municipal Overview

This report addresses the performance of the Matzikama Municipality in the Western Cape in respect of its core legislative obligations. Local government must create the participatory framework that defines and enhances the relationship between elected leaders and their communities. This requires that the council of the municipality provides regular and predictable reporting on programme performance and the general state of affairs in their locality.

The 2015/16 Annual Report reflects on the performance of the Matzikama Municipality for the period 1 July 2015 to 30 June 2016. The Annual Report is prepared in terms of Section 121(1) of the Municipal Finance Management Act (MFMA), in terms of which the municipality must prepare an Annual Report for each financial year.

### 1.2.1 Vision and Mission

The Matzikama Municipality committed itself to the vision and mission of:

#### *Vision*

*“Matzikama, a safe and joyful place where a healthy, educated, informed and compassionate community share in the welfare”*

#### *Mission:*

*“Provide to the wider community affordable, quality services and products through good governance and effective and sustainable utilization of all resources and infrastructure”*

### 1.2.2 Demographic Information

#### *Municipal Geographical Information*

Matzikama – (“matzi = he gives, kamma = water”) Municipality, in Southern Namaqualand is a category B municipality proclaimed in terms of Provincial Notice No. 481/2000 of September 2000. Matzikama Municipality is the result of the amalgamation of the towns of Klawer, Vanrhynsdorp, Lutzville, Vredendal, Ebenhaeser, Papendorp, Doring Bay and Strandfontein. The DMA area comprising of towns Kliprand, Bitterfontein, Molsvlei, Rietpoort, Put-se-Kloof, Nuwerus, Stofkraal and Koekenaap also falls within the municipal area.

The region is dominated by the Maskam, Gifberg, Khobee and Bokkeveld Mountains to the East. To the West lies the mighty Atlantic Ocean, with its cold Benguela current which has an impact on the unique flora of the Knersvlakte Bioregion. Southbound, the Cerderberg and the rest of the Western Cape beckons.

Matzikama lies on the N7, Cape Namibia route, approximately 300km (3 hours) North of Cape Town and 1200 km from Windhoek. It can also be reached from the North (Gauteng, Mpumalanga, etc.) along the N14/R27 via Upington, N12/R27 via Kimberley and the N1/R63 via Bloemfontein and Victoria West.

Matzikama is characterized by an arid environment but is served by a life-giving arterial namely the Olifants River. The river with its associated canal systems supports a flourishing agricultural sector that is mainly built on viniculture. The population is therefore concentrated along the river. Only the villages of Vanrhynsdorp, Doring Bay and Strandfontein are not linked to the river. Doring Bay and Strandfontein are coastal towns.



## Wards

The Municipality is currently structured into the following 8 Wards:

Ward	Areas
1	Lutzville, Lutzville-West and the surrounding farms
2	Doring Bay, Strandfontein, Ebenhaeser, Papendorp and surrounding farms
3	The most northern section of Vredendal-North and surrounding farms
4	The southern section of Vredendal North as well as the eastern section of Vredendal-South and surrounding farms
5	Vredendal South and surrounding farms
6	Klawer, Trawal and surrounding farms
7	Vanrhynsdorp and surrounding farms
8	Bitterfontein, Koekenaap, Nuwerus, Kliprand, Stofkraal, Molsvlei, Rietpoort and Put-se-Kloof

**Tabel 1: Municipal Wards**

Below is a map of the Western Cape that indicates the location of the Matzikama Municipality:



**Figure 1.: Matzikama municipal map**

## **KLAWER**

The town is located 22 km south of Vanrhynsdorp on the Cape/Namibia tourism route and developed from a railway crossing between Cape Town and Bitterfontein. Since the reduction in rail transport the agriculture sector and services industry continued to provide income to the population of Klawer. Klawer is surrounded by many farms and attracts a large number of tourists to the area to join in the agri-tours presented by the Kapel farm in the area.

## **VANRHYNSDORP**

Vanrhynsdorp is the most southern and oldest town in Namaqualand. It exists since 1661. The town is also the gate way to the Western Cape, Upington, Johannesburg, Namibia, Vredendal and the coastal towns. Vanrhynsdorp is located 300 km north of Cape Town on the intersection to Cape Namibia, Namakwari and West Coast Karoo tourism routes. The economic base comprises the services and agriculture industries.

## **LUTZVILLE**

Lutzville developed from a farm established in 1923 and is located 48 km west of Vanrhynsdorp on the West Coast Tourism Route. Apart from the many farming activities in the area tourism has the potential to add significantly to the economic base of the local urban economy and is linked to the wine industry, annual agriculture expo, annual wild flower season and its location on the West Coast Tourism Route. The town accommodates a large number of the workers employed by Namaqua Sands as well as farm workers and hence the low unemployment rate.

## **VREDENDAL**

Vredendal is by far the largest town in the area and is also centrally located rendering it the logical economic and administrative centre. The town is located 24 km east of Vanrhynsdorp on the West Coast Tourism Route.

## **EBENHAESER/PAPENDORP**

These two villages function as a residential settlement with very few economic activities apart from government services, farm labourers and subsistence farming activities. The villages are located on the banks of the Olifants River and play an important role in protecting the sensitive eco system of the Olifants River. These two villages developed from a mission station founded by the Rynse Church in 1831.

## **DORING BAY**

Doring Bay is located on the coast line, 80 km west of Vanrhynsdorp and 15 km north of Lamberts Bay, making it ideal for tourism and aquaculture development. Both aquaculture and tourism has huge potential and can play an important role in mitigating unemployment caused by the decline of the fishing industry.

## **STRANDFONTEIN**

Strandfontein has been a holiday resort and retirement village since its existence. The town recorded a relatively high ranking in terms of its resource and development potential. Out of the 131 towns situated in the Western Cape Province, Strandfontein was ranked 28<sup>th</sup> in terms of composite development potential and 2<sup>nd</sup> in terms of composite resource potential. The town is located on the coast line 5 km north of Doring Bay and 75 km west of Vanrhynsdorp. The town draws many tourists and holiday makers annually and has become more sought after than ever before.

## THE PREVIOUSLY DISTRICT MANAGED AREA

The area of roughly 8 000 km<sup>2</sup> with a population of just over 7 000 people comprise of 7 different villages including Kliprand, Bitterfontein, Nuwerus, Molsvlei, Stofkraal, Rietpoort and Put-se-Kloof. Apart from livestock farming, no other major economic activity apart from retail and a few government services exist in the area. The area is basically a residential area with most of the population being unemployed. The few that is employed work for the nearby mining companies.

### Population

#### Total Population

The table below indicates the total population within the municipal area according to the Census of 2001 and 2011:

2001	2011
54 199	67 147

**Tabel 2: Total population**

#### Population per settlement type

The following table specifies the number of households per town and village according to the 2011 Census:

Towns/Villages	Households
Vredendal	4 793
Vanrhynsdorp	1 820
Klawer	1 680
Lutzville	1 382
Strandfontein	92
Doring Bay	315
Ebenhaeser	404
Koekenaap	429
Nuwerus	193
Bitterfontein	231
Kliprand	38
Rietpoort	235
Rural areas	7 223
<b>Total</b>	<b>18 835</b>

**Tabel 3: Total population per settlement types**

### Households

The total number of households within the municipal area are **18 835** according to the 2011 Census.

Households	2001	2011
Number of households in municipal area	15 189	18 835
Number of indigent households in municipal area	2 281 (2014/15)	2 827 (2015/16)

**Tabel 4: Total number of households**

## Economic Activities

The local economy is highly dependent on agriculture with viniculture being the primary sector. The municipality is dependent on the following economic activities:

Key Economic Sectors	Description
Agriculture	Grapevines, fruit and vegetables, livestock
Fishing	Limited to recreational and small fishing rights
Tourism	Seasonal, especially during the flower season
Mining	The municipal area is home to 10 mining companies that mine a variety of minerals, including heavy sands, rare earth minerals, diamonds, clay, salt, gypsum and lime
Manufacturing	Manufacturing comprise products including tomato paste/sauce, table grapes, wine and spirits, mineral separation (first phase of manufacturing) and dried fruit. Manufacturing in the pipeline include plastic products from waste plastics and mineral separation from rare earth minerals.
The Public Sector	The municipal area is home to ten provincial and national sector departments
The Service Sector	This sector comprise all the banks including ABSA, FNB, Standard, Nedbank, Capitec and African Bank as well as other financial service providers including Old Mutual and Sanlam. As a result of the more than 1 923 farms in the area many engineering and other support services exists

**Tabel 5: Key Economic activities**

## Natural Resources

The municipality has the following natural resources in its area:

Natural Resources	
Major Natural Resource	Relevance to the Community
Olifants River	The only reliable source of potable and irrigation water
Climate	The agriculture sector that is dependent on the right climatic conditions is the main employment provider
Minerals	Matzikama is home to 10 mining companies which through procurement of local goods and services pumps more than a R100 million per annum into the local economy which is over and above the many jobs they created for the local communities
The ocean	Despite the dwindling fish stocks that resulted with the closure of the fishing industry along the West Coast of the Western Cape including Doring Bay the ocean still provide great potential for aquaculture development in addition to the income it provide to hundreds of small-scale subsistence fishers
The wind	Eskom identified the municipal area as an ideal location for establishing electricity generating wind farms. Despite these facilities not being able to create jobs for the local people due to the high-tech nature Communities may benefit from the available green energy
Agriculture land	The municipal area is home to high quality agriculture land (soil) that can grow almost any crop. Apart from the fact that current crop production provides sustainable livelihoods to many in the local communities it also offers opportunities to many emerging farmers
Sun (Solar energy)	Unlike wind farms solar energy creates jobs with the local community Communities may benefit from the available green energy

**Tabel 6: Natural Resources**

### 1.2.3 Socio Economic Information

#### Socio Economic Indicators

The socio-economic information for the municipal area is as follows according to the 2011 Census:

Unemployment Rate	Youth Unemployment Rate	No schooling aged 20+	Formal dwellings
14%	19.3%	6.2%	88.4%

**Tabel 7: Socio Economic Indicators**

#### Population by Gender

The population is closely balanced with **49.9%** (33 523) representation of females and **50.0%** (33 624) of males according to Census 2011.

Population - Gender	2001	2011
Females	27 194	33 523
Males	27 005	33 624
<b>Total</b>	<b>54 199</b>	<b>67 147</b>

**Tabel 8: Population by gender**

#### Population by Gender/Age

Population - Gender/Age	2001	2011
Females aged 0 - 4	2549	3238
Males aged 0 - 4	2597	3296
Females aged 5 - 14	5507	5690
Males aged 5 - 14	5499	5777
Females aged 15 - 34	9035	11172
Males aged 15 - 34	8868	11455
Females aged 35 - 49	5452	6683
Males aged 35 - 49	5819	6920
Females aged 50 - 69	3567	5185
Males aged 50 - 69	3429	5107
Females aged 70 - 84	958	1313
Males aged 70 - 84	711	959
Females aged 85+	127	171
Males aged 85+	82	122

**Tabel 9: Population by gender/age**

## Population by Race Categories

According to Census 2011, the Municipality has a total population of 67 147. Of the population, 74,7% are coloured, 14,8% are whit and 8,5% are black African, with other population groups making up the remaining 2,0%.

Population - Racial	2001	2011
African	2 853	5 707
Coloured	41 736	50 159
Indian	66	403
White	9 544	9 938
Other	0	940
<b>Total</b>	<b>54 199</b>	<b>67 147</b>

Tabel 10: Population by race categories

## 1.3 Service Delivery Overview

### 1.3.1 Basic Services Delivery Highlights

Highlight	Description
New 2ML raw water dam	The construction of a new 2ML raw water dam was completed
New chlorine dose systems	Installation of chlorine dosing systems at various water works
Upgrading of the reservoir	The old reservoir at Bitterfontein was refurbished
Quality of drinking water	The water quality for drinking water in the municipal area complies fully with the SANS 241 criteria
Reduction in water losses	The quick response to fixing leaking pipes and the replacement of old water meters contributed to the reduction of water losses
Upgrading of the Klaver Waste Water Treatment (WWTW)	The existing WWTW has been upgraded to a Sequencing Batch Reactor (SBR) system, including new sludge dams and pipelines
Sewer network for Bitterfontein	Constructed new sewer pipelines for Bitterfontein to replace septic tanks
Electricity Master Plan	Developed an Electricity Master Plan for Vredendal
Electrification of 80 houses	80 new houses in Klaver received electricity
Replacement of bulk electricity meters	121 old electricity meters were replaced with new meters
New compactor	A new compactor was bought to improve our waste removal services
Credible waste calculations data	The TEDCOR team assisted with operations and waste calculations at the landfill sites
GAP Housing	The Council approved sites for GAP housing and the administration process has commenced to determine how many people do qualify for this project
Transfer of houses in Vredendal-North	A total of 55 title deeds were completed and are ready to be handed over to the owners of houses
Upgrading of Alpha Street	Alpha Street in Klaver was resealed with sidewalks
New paved streets in Ebenhaeser	The project was funded by the Department of Rural Development and Land Reform
Regular maintenance of stormwater systems	The stormwater systems were regularly inspected and cleaned to prevent blockages

Tabel 11: Basic services delivery highlights



### 1.3.2 Basic Services Delivery Challenges

Service Area	Challenge	Actions to address
Water	Shortage of skilled staff	Possibilities will have to be investigated to train and skill existing staff
Water	Vandalism of infrastructure	Raise awareness amongst the public to take ownership of infrastructure
Waste Water (Sanitation)	A shortage of trained operators at WWTW's	Possibilities will have to be investigated to train operators
Electricity	Electricity losses	Installation of new bulk meters and disconnection of illegal connections
Electricity	Tampering with electricity meters	Regular inspections of meters
Waste Management	Old machinery	Secure funding to replace old machinery
Housing	Provide a house for everyone	To submit applications to the Department of Human Settlements for additional funding
Housing	Protests in Klawer	To establish a committee in every town to assist the housing officials
Housing	Building of illegal shacks	Work with Law Enforcement to monitor informal areas
Roads and Stormwater	Limited funding to reseal existing roads	Other sources of funding will have to be explored
Roads and Stormwater	Development of a Stormwater Master Plan	Additional funding will have to be sourced in order to develop a Stormwater Master Plan

**Tabel 12:** Basic Services Delivery Challenges

### 1.3.3 Proportion of Households with access to Basic Services

Proportion of Households with minimum level of Basic Services		
Description	2014/15 %	2015/16 %
Electricity service connections	100	100
Water - available within 200 m from dwelling	100	100
Sanitation - Households with at least VIP service	100	100
Waste collection - kerbside collection once a week	100	100

**Tabel 13:** Households with minimum level of Basic Services

## 1.4 Financial Health Overview

### 1.4.1 Financial Viability Highlights

Highlight	Description
Improvement in cash-flow	The cash-flow position slightly improved during the second term of the year under review and we were able to invest funds during December 2015 on a call deposit account
External borrowing	No additional loans were taken up to fund capital investment as a strategy to improve the Municipality's financial position
Annual Financial Statements (AFS)	The Draft AFS for 2014/2015 was submitted timeously to the Audit Committee for reviewing and independent oversight

**Tabel 14:** Financial Viability Highlights

#### 1.4.2 Financial Viability Challenges

Challenge	Description
Outstanding debtors	Outstanding debtors continue to increase as more consumers rely on subsidies and grants
Account payable	Provision for accruals increased due to challenges experienced in the paying of accounts
Unemployment	Payment rates reduced as result of the socio-economic conditions of residents although they are supported with indigent subsidies

Tabel 15: Financial Viability Challenges

#### 1.4.3 National Key Performance Indicators – Municipal Financial Viability and Management (Ratios)

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area namely Municipal Financial Viability and Management.

KPA & Indicator	2014/15	2015/16
Debt coverage: (Total operating revenue-operating grants received)/debt service payments due within the year)	25.22	32.5
Service debtors to revenue: (Total outstanding service debtors/ revenue received for services)	37.90%	20.00%
Cost coverage: ((Available cash+ investments)/ Monthly fixed operating expenditure)	0.55 : 1	0.30:1

Tabel 16: National KPI's for financial viability and management

#### 1.4.4 Financial Overview

Details	Original budget	Adjustment Budget	Actual
	R'000		
<b>Income</b>	<b>277 194</b>	<b>280 668</b>	<b>296 891</b>
Grants	75 768	78 439	77 628
Taxes, Levies and tariffs	181 456	182 230	171 821
Other	19 970	19 999	47 442
<b>Less: Expenditure</b>	<b>248 334</b>	<b>261 265</b>	<b>254 707</b>
<b>Net surplus/(deficit)</b>	<b>28 860</b>	<b>19 403</b>	<b>42 184</b>

Tabel 17: Financial overview

#### 1.4.5 Total Capital Expenditure

Detail	2014/15	2015/16
	R'000	
Original Budget	27 680	29 770
Adjustment Budget	40 649	30 478
Actual	35 823	29 773

Tabel 18: Total capital expenditure

## 1.5 Organizational Development Overview

### 1.5.1 Municipal Transformation and Organizational Development highlights

Highlight	Description
Recruitment of personnel	The successful appointment of 50 new permanent employees and the promotion of 35 employees.
Training	149 Employees receive training in the 2015/16 financial year. 71 employees received training for needs identified by the workplace skills plan and 78 employees received training for <i>adhoc</i> training needs.
Discretionary funding from the LGSETA	2 Learnerships were approved by the LGSETA to receive discretionary funding.
Appointment of a service provider to review / re-design the macro and micro staff structure of the municipality	To establish a new macro and micro staff structure for the municipality as determined by the Regulations of 17 January 2014.
The revision of several HR policies	The Standby Service and Standby Allowance Policy, the Policy regarding private work by officials, the Clothing (in the workplace) Policy and the Travel and Subsistence Allowance Policy were revised.
The development and approval of a Staff Retention Policy	To ensure that employees with valued or needed skills or experience in a scarce/critical field where recruitment is difficult, are kept within the service of the Municipality.
A decrease of the number of employees injured in the workplace in comparison with the previous financial year	The injury rate shows a decrease from 35 employees injured in the 2014/15 financial year to 27 employees injured in the 2015/16 financial year.
A decrease of the number of days sick leave taken by employees in comparison with the previous financial year	The total number of sick leave days taken during the 2015/16 financial year (2 285 days) shows a decrease when comparing it with the 2014/15 financial year (2 382 days).
Improvement of the turnover rate of employees in comparison with the previous financial year	The turnover rate of employees improved from 11.2% in the 2014/15 financial year to 6.7% in the 2015/16 financial year.

**Tabel 19: Municipal Transformation and Organisational Development highlights**

### 1.5.2 Municipal Transformation and Organizational Development Challenges

Challenge	Action to address
The successful implementation of the newly designed macro and micro staff structure of the municipality	The implementation of the newly designed macro and micro staff structure of the municipality successfully by the service provider, including the revision and evaluation of all TASK job descriptions.
The revision of all HR policies	It is part of the terms of reference of the service provider who reviewed / re-designed the macro and micro staff structure.
Retention of skilled employees	The implementation of the Staff Retention Policy
Improvement of employment equity targets	The appointment of African people and females in senior management positions, white people in the unskilled and defined decision making occupational levels and white males in the semi-skilled and discretionary decision occupational levels.
Performance management of lower level employees	Implementation of performance management to lower level employees.
Limited municipal training budget to roll out training interventions listed on the Workplace Skills Plan (WSP)	The training budget should be compiled more accurately according the WSP and all funding received from the LGSETA must be allocated to the municipal training budget.
To align the Integrated Development Plan (IDP) and the Workplace Skills Plan (WSP)	Skills needed for projects as identified in the IDP must analysed and included in the WSP.
Compliance to minimum competency levels by municipal officials	14 officials should have been compliant to the minimum competency levels at 30 September 2015, but only 10 officials are

Challenge	Action to address
	currently compliant as 4 officials must still finalise their training to comply.

**Tabel 20: Municipal Transformation and Organisational Development challenges**

## 1.6 Audit Outcomes

Detailed audit action plans driven by the CFO and monitored by the Internal Audit Section are developed annually to address the issues raised by the Auditor-General and progress monitored on a monthly. The detailed corrective measures/steps are also used to improve internal controls with associated management arrangements. The latter informed the review of the Annual Financial Statements prior to submission to the Auditor-General.

Regular management meetings are held to ensure that senior management collectively strive towards and contribute to developing quality and accurate financial reports.

Year	2011/12	2012/13	2013/14	2014/15	2015/16
Status	Unqualified with other matters	Unqualified with other matters	Unqualified with no marked misstatements, omissions or errors other than the Audit Committee that was not functional for the year under review	Financially unqualified with no other matters (Clean Audit Opinion)	Financially unqualified with no other matters (Clean Audit Opinion)

**Tabel 21: Audit outcomes**

## 1.7 2015/16 IDP/Budget Process

The table below provides details of the 2015/16 IDP/Budget process:

No.	Activity	Responsible person	Date
<b>Pre-Budgeting Processes/Tasks</b>			
1.1	Finalise inputs from bulk resource providers (and NERSA) & agree on proposed price increase	CFO	31 March 2015
1.2	Review whether all bulk resource providers have lodged a request with National Treasury and SALGA seeking comments on proposed price increases of bulk resources	CFO	31 March 2015
<b>Community Participation Process</b>			
2.1	Community participation in revising the IDP ward in terms of their development needs	IDP Official	08-19 September 2014
2.2	Community participation in revising the IDP & budget – final recommendations	IDP Official	08-23 April 2015
<b>Budget Preparatory Process</b>			
3.1	Finalise detailed operating & capital budgets in the prescribed formats incorporating National and Provincial budget allocations, integrate & align to IDP documentation & draft SDBIP, finalise budget policies including tariff policy	CFO	23 March 2015
3.2	Finalise the draft capital and operating budget and budget related policies	CFO	23 March 2015
3.3	Note any Provincial and National allocations to municipalities for incorporation into budget	CFO	5 March 2015
3.4	Finalise corrective measures from audit report	CFO	December 2015
3.5	Receive bulk resource providers' price increases as tabled in Parliament or the provincial legislature	CFO	16 October 2015
3.6	Approval of NERSA tariffs	CFO	11 June 2015
<b>Budgetary Policies</b>			

No.	Activity	Responsible person	Date
4.1	Leasing of caravan sites and chalets	CFO	22 May 2015
4.2	Draft SCM policy	CFO	22 May 2015
4.3	Property rates policy	CFO	22 May 2015
4.4	Funding-and-reserves policy	CFO	22 May 2015
4.5	Credit control policy	CFO	22 May 2015
4.6	Debt policy	CFO	22 May 2015
4.7	Cash management and investments policy	CFO	22 May 2015
4.8	Travel and substance policy	CFO	22 May 2015
4.9	Tariff policy	CFO	22 May 2015
4.10	Virement Policy	CFO	22 May 2015
4.11	Budget Implementation and Monitoring Policy	CFO	22 May 2015
4.12	Acting Allowance Policy	CFO	22 May 2015
4.13	Indigent Policy	CFO	22 May 2015
<b>Tabling Of Budgets</b>			
5.1	A1 Schedule	CFO	31 March 2015
5.2	Adjustment Budget: <ul style="list-style-type: none"> <li>Submit to mayoral committee</li> <li>Submit to council</li> <li>Submit the approved adjustments budget to the Provincial Treasury and National Treasury.</li> </ul>	CFO	<ul style="list-style-type: none"> <li>23 November 2015</li> <li>23 November 2015</li> <li>24 November 2015</li> </ul>
5.3	Adjustment Budget: <ul style="list-style-type: none"> <li>Submit to mayoral committee</li> <li>Submit to council</li> <li>Submit the approved adjustments budget to the Provincial Treasury and National Treasury.</li> </ul>	CFO	<ul style="list-style-type: none"> <li>26 February 2016</li> <li>26 February 2016</li> <li>26 February 2016</li> </ul>
5.4	Submit the budget as well as the IDP to the Provincial Treasury, National Treasury and other affected organs of state	CFO	2 April 2015
5.5	Make public the annual budget and invite the community to submit representations	CFO	2 April 2015 Advertised in "Ons Kontrei" on 9 April 2015
5.6	Council must give the mayor an opportunity to respond to the submissions and, if necessary, to revise the budget and table amendments for consideration by the council	CFO	22 May 2015
<b>Approval Of Budget And Policies</b>			
6.1	Table final IDP and budget in Council <ul style="list-style-type: none"> <li>Submit to Mayoral Committee</li> <li>Submit to Council</li> </ul>	CFO	<ul style="list-style-type: none"> <li>29 May 2015</li> <li>29 May 2015</li> </ul>
6.2	Council meeting	CFO	29 May 2015
<b>Finalising</b>			
7.1	Completion of Annual Budget amendments / refinements	CFO	25 May 2015
7.2	Place the IDP, annual budget, all budget-related documents and all budget-related policies on the website	CFO	4 June 2015
7.3	Make public the approved annual budget and supporting documentation	CFO	5 June 2015
7.4	Submit approved budget to the Provincial Treasury and National Treasury	CFO	5 June 2015

**Tabel 22: 2015/16 IDP/Budget Process**

## CHAPTER 2

## COMPONENT A: POLITICAL AND ADMINISTRATIVE GOVERNANCE

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations 7146 2001 and section 43 of the MSA. This key performance indicator is linked to the National Key Performance Area - Good Governance and Public Participation.

KPA & Indicators	2014/15	2015/16
The percentage of a municipality's capital budget actually spent on capital projects identified for a particular financial year in terms of the municipality's integrated development plan	90%	99%

**Tabel 23:** National KPIs - Good Governance and Public Participation

## 2.1 Governance Structure

### 2.1.1 Political Governance Structure

The Council performs both legislative and executive functions. They focus on legislative, oversight and participatory roles, and have delegated its executive function to the Executive Mayor and the Mayoral Committee. Their primary role is to debate issues publicly and to facilitate political debate and discussion. Apart from their functions as decision makers, Councillors are also actively involved in community work and the various social programmes in the municipal area.

#### a) Council

Below is a table that categorised the councillors within their specific political parties and wards for the 2015/16 financial year:

Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
Patric Bok	Executive Mayor	ANC	Ward 4	86.67	13.33
Maria Witbooi	Executive Deputy Mayor	ANC	Proportional Representative	93.33	6.67
Willem Nell	Speaker	ANC	Proportional Representative	100	n/a
Frans Bam	Executive Councillor	ANC	Ward 1	93.33	6.67
Jacob Botha	Executive Councillor	TPICO	Proportional Representative	86.67	13.33
Willem Fortuin	Executive Councillor	ANC	Proportional Representative	100	n/a
Elias Mqingqi	Ordinary Councillor	ANC	Ward 3	80	20
Christoffel van der Westruis	Ordinary Councillor	ANC	Ward 8	100	n/a
Yolande Cloete-Kotze	Ordinary Councillor	DA	Proportional Representative	93.33	6.67
Dinah Okhuis (from August 2015)	Ordinary Councillor	ANC	Proportional Representative	85.71	14.29
Andrew Julies (until November 2015)	Ordinary Councillor	NGP	Proportional Representative	100	n/a



Council Members	Capacity	Political Party	Ward representing or proportional	Percentage Council Meetings Attendance	Percentage Apologies for non-attendance
Donald Fredericks (from January 2016)	Ordinary Councillor	NGP	Proportional Representative	87.5	12.5
Beulah Julies-Samuels	Ordinary Councillor	DA	Ward 6	93.33	6.67
Andreas Sindiyamba	Ordinary Councillor	DA	Ward 7	100	n/a
Johan Smith	Ordinary Councillor	DA	Proportional Representative	86.67	13.33
Rhenda Stephan	Ordinary Councillor	DA	Ward 5	93.33	6.67

**Tabel 24: Council**

The table below indicates the dates of the Council meetings and the number of reports submitted to Council for the 2015/16 financial year:

Meeting date	Number of reports submitted to Council
31 July 2015	3
31 August 2015	15
2 September 2015	3
27 October 2015	22
23 November 2015	10
10 December 2015	5
7 January 2016	1
28 January 2016	7
9 February 2016	3
26 February 2016	3
29 March 2016	15
10 May 2016	22
31 May 2016	12
9 June 2016	2
28 June 2016	6

**Tabel 25: Council meeting dates**

#### **b) Executive Mayoral Committee**

The Executive Mayor of the municipality, Councillor Patric Bok, assisted by the Mayoral Committee, heads the executive arm of the municipality. The Executive Mayor is at the centre of the system of governance, since executive powers are vested in him to manage the day-to-day affairs. This means that he has an overarching strategic and political responsibility. The key element of the executive model is that executive power is vested in the Executive Mayor, delegated by the Council, and as well as the powers assigned by legislation. Although accountable for the strategic direction and performance of the municipality, the Executive Mayor operates in concert with the Mayoral Committee.

The name and portfolio of each Member of the Mayoral Committee is listed in the table below for the period 1 July 2015 to 30 June 2016:

Name of member	Capacity
Patric Bok	Executive Mayor
Maria Witbooi	Executive Deputy Mayor
Frans Bam	Executive Councillor
Jakob Botha	Executive Councillor
Willem Fortuin	Executive Councillor

**Tabel 26: Executive Mayoral Committee**

The table below indicates the dates of the committee meetings and the number of reports submitted to Council for the 2015/16 financial year:

Meeting date	Number of reports submitted to Council
26 August 2015	12
30 September 2015	2
21 October 2015	18
6 November 2015	1
12 November 2015	5
12 January 2016	2
14 April 2016	16
24 May 2016	9

**Tabel 27: Executive Mayoral Committee meeting dates**

### **c) Portfolio Committees**

Section 80 committees are permanent committees that specialise in a specific functional area of the municipality and may in some instances make decisions on specific functional issues. They advise and assist the executive committee or the executive mayor. Section 79 committees are temporary and appointed by the Council as needed. They are usually set up to investigate a particular issue and do not have any decision making powers, but they can make recommendations to Council. Once their *ad hoc* task had been completed, Section 79 committees are usually disbanded. External experts, as well as Councillors can be included on Section 79 committees.

The portfolio committees for 2015/16 and their chairpersons are as follow:

Committee	Chairperson	Section 79 or 80 Committee	Number of reports submitted to Council	Meeting Date
Special Investigation regarding transgressions of Councillors	Willem Fortuin	79	1	31 August 2015
Oversight Committee for the evaluation of the 2014/15 annual report	Willem Fortuin	79	1	2 February 2016
Municipal Public Accounting (MPAC)	Donald Frederick	79	0	n/a
Selection panel for the appointment of a Municipal Manager	Patric Bok	79	1	31 May 2016

Committee	Chairperson	Section 79 or 80 Committee	Number of reports submitted to Council	Meeting Date
Selection panel for the appointment of a Senior Manager directly accountable to the Municipal Manager	Municipal Manager	79	0	n/a
Article 62 Appeal Committee of the Municipal Systems Act, Act 32 of 2000	Municipal Manager or Executive Mayor depending on which decision is under appeal	79	0	n/a
Financial Services	Patric Bok	80	0	14 October 2015
Technical Services	Maria Witbooi	80	0	14 October 2015
Corporate services	Willem Fortuin	80	0	14 October 2015
Community Services and Safety	Jacob Botha	80	2	24 August 2015 14 October 2015
Development and Town Planning	Frans Bam	80	0	14 October 2015

Tabel 28: Portfolio committees

### 2.1.2 Administrative Governance Structure

The Municipal Manager is the Accounting Officer of the municipality. He is the head of the administration, and primarily has to serve as chief custodian of service delivery and implementation of political priorities. He is assisted by his direct reports, which constitutes the management team, whose structure is outlined in the table below:

Name of Official	Department	Performance agreement signed
		(Yes/No)
Vacant	Municipal Manager	n/a
Vacant	Financial Services	n/a
Willie Conradie	Corporate Services	Yes
Jevon Pekeur	Technical Services	Yes
Jan Swartz	Community Services	Yes
Lionel Phillips	Development and Town Planning Services	Yes

Tabel 29: Administrative Governance Structure

## COMPONENT B: INTERGOVERNMENTAL RELATIONS

### 2.2 Intergovernmental Relations

In terms of the Constitution of South Africa, all spheres of government and all organs of state within each sphere must co-operate with one another in mutual trust and good faith fostering friendly relations. They must assist and support one another; inform and consult one another on matters of common interest; coordinate their actions, adhering to agreed procedures and avoid legal proceedings against one another.

### Intergovernmental Structures

To adhere to the principles of the Constitution as mentioned above the municipality participates in the following intergovernmental structures:

Name of Structure
Municipals Managers Forum
Premiers Coordinating Forum
SALGA Working Groups
IDP Managers Forum
LED Managers Forum
SCM Forum
IWM Forum
IDP Indaba's
Provincial Public Participation and Communication Forum (PPPCOM)
IDP Working Group
Provincial Skills Development Forum
HR Practitioner's Forum
HR Working Group Meeting

**Tabel 30: Intergovernmental Structures**

## COMPONENT C: PUBLIC ACCOUNTABILITY AND PARTICIPATION

Section 16 of the Municipal Systems Act (MSA) refers specifically to the development of a culture of community participation within municipalities. It states that a municipality must develop a culture of municipal governance that complements formal representative government with a system of participatory governance. For this purpose it must encourage and create conditions for the local community to participate in the affairs of the community. Such participation is required in terms of:

- ≈ the preparation, implementation and review of the IDP;
- ≈ establishment, implementation and review of the performance management system;
- ≈ monitoring and review of the performance, including the outcomes and impact of such performance; and
- ≈ preparation of the municipal budget.

### 2.3.1 Public Meetings

The table below provide details of public communication and participatory initiatives employed by the municipality:

Ward Number	Date of Events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community Members Attending
Workshop with Ward Committee members: Training on Community Based Planning				
Ward 1	29 February 2016	6	6	11
Ward 2	3-5 November 2015			
Ward 3	3 March 2016			
Ward 4	17 & 18 February 2016			
Ward 5	22 & 23 February 2016			
Ward 6	10 & 11 February 2016			

Ward Number	Date of Events	Number of Participating Municipal Councillors	Number of Participating Municipal Administrators	Number of Community Members Attending
Workshop with Ward Committee members: Training on Community Based Planning				
Ward 7	10 & 11 February 2016			
Ward 8	4 February 2016			
IDP public participation meetings to obtain community input				
Ward 1	14 September 2015	5	0	Unknown
Ward 2	14 September 2015			
Ward 3	15 September 2015			
Ward 4	15 September R 2015			
Ward 5	16 September 2015			
Ward 6	16 September 2015			
Ward 7	17 September 2015			
Ward 8: Kliprand	11 September 2015			
Ward 8: Putsekloof	17 September 2015			
Ward 8: Bitterfontein	17 September 2015			
Ward 8: Koekenaap	17 September 2015			
Ward 8: Nuwerus	18 September 2015			
Ward 8: Stofkraal	21 September 2015			
Ward 8: Molsvlei	21 September 2015			
Ward 8: Rietpoort	21 September 2015			
Public participation of draft budget and draft IDP review				
Ward 1	4 April 2016	5	5	104
Ward 2	5 April 2016	Papendorp: 4 Doringbaai: 4 Ebenhaeser: 4	Papendorp: 5 Doringbaai: 5 Ebenhaeser: 4	Papendorp: 24 Doringbaai: 22 Ebenhaeser: 23
Ward 3	6 April 2016	5	4	34
Ward 4	7 April 2016	0	4	39
Ward 5	11 April 2016	4	7	35
Ward 6	12 April 2016	4	5	75
Ward 7	13 April 2016	4	7	32
Ward 8: Koekenaap	14 April 2016	3	5	25
Ward 8: Kliprand	15 April 2016	4	4	18
Ward 8: Stofkraal	18 April 2016	3	4	32
Ward 8: Molsvlei	18 April 2016	3	4	14
Ward 8: Rietpoort	19 April 2016	3	4	34
Ward 8: Putsekloof	19 April 2016	3	4	21
Ward 8: Bitterfontein	20 April 2016	3	4	39
Ward 8: Nuwerus	20 April 2016	3	4	20

**Tabel 31: Public Meetings**

### 2.3.2 Ward Committees

The ward committees support the Ward Councillor who receives reports on development, participate in development planning processes, and facilitate wider community participation. To this end, the municipality constantly strives to ensure that all ward committees function optimally with community information provision; convening of meetings; ward planning; service delivery; IDP formulation and performance feedback to communities.

#### Ward 1: Lutzville and Lutzville-Wes

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Daniël Du Plessis	Community	7 September 2015 8 December 2015
Dirk Cloete	Churches	
Brain Claasen	Business	
Magret Kokisi	Crèches	
Serina Leukes	Community	
Lionel van Wyk	Sport	
Cedric Blaauw	Disabled Persons	
Nokuthule Mphangwa	Community	
Eddie Cloete	Sport	
Lorna Cloete	Home Based Care /Elderly	

Tabel 32: Ward 1 committee meetings

#### Ward 2: Doring Bay, Strandfontein, Ebenhaeser/Papendorp and Lutzville Wes

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Jacobus Gelandt & Sarah Hahn	CPA	8 September 2015 8 December 2015 23 February 2016
Pedro Engelbrecht	Doringbay Fishermen	
Janet Prins	Doringbay Development Trust	
Vernon Owies	Shool Governing Body	
Johanna Petersen	Ebenhaeser Service Centre	
Sonia Cloete	Community Papendorp	
John Wiggins	Tax Payers Strandfontein	
Micheal Arendse	Sport	
Geona Donn	Youth	

Tabel 33: Ward 2 committee meetings



**Ward 3: Vredendal-North**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Miriam Swanepoel	Churches	8 September 2015
Henriette Mtsolo	Community	
Sophia Julies	Community	
Siswe Madlingozi	Community	
Cupido Swarts	Community	
Samuel Kamfer	Disabled Persons	
Felicia Gous	Community	

**Tabel 34: Ward 3 committee meetings**

**Ward 4: Vredendal-North and South**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Zelda Brown	Farm Workers	15 October 2015 8 February 2016
Lenie Januarie	Dept. Community Development	
Audrey De Vries	Disabled Persons	
Kido Coetzee	Dept. Education	
George Lane	Community	
Valerie Mentoor	Community	
Saronah Kilian	Old Age	
Marquin Coetzee	SMME'S	

**Tabel 35: Ward 4 committee meetings**

**Ward 5: Vredendal**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Lena Ghall	Community	13 October 2015 2 February 2016 5 April 2016
Nicolaas Louw	Community	
Sharon Pool	Community	
Therese Kotze	Disabled Persons	
Wilhelmiena Coetzee	Community	
Johan van Wyk	Dept. Education	
Tollie Louw	Disabled Persons	
Esta Retief	Health Services (Clinics)	
Riaan van der Merwe	Sport	
Pierre van Heerden	Commercial Farmers	

**Tabel 36: Ward 5 committee meetings**

**Ward 6: Klawer and Trawal**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Dean Gelandt	Sport	No meeting were held
Katrina Swarts	Community	
Katrina Julies	Community	
Adoons Stuurman	Community	
Hermanus Zandberg	Community	
Vanessa Boks	Community	
Elzea Toontjies	Housing	

**Tabel 37: Ward 6 committee meetings**

**Ward 7: Vanrhynsdorp**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Andreas Jantjies	Community	18 August 2015 15 October 2015 8 December 2015 4 February 2016
Thomas Jenner	Community	
Johanna Kriel	Community	
Mercia Kearns	Education	
Willem Beukes	health	
Wilhelmiena Afrika	Community	
James Rosenberg	CPF	
Brinkie van der Merwe	Tourism	
Ronnie Koopman	Sport	

**Tabel 38: Ward 7 committee meetings**

**Ward 8: Kliprand, Stofkraal, Nuwerus, Rietpoort, Molsvlei, Putsekloof, Bitterfontein, Koekenaap**

Name of representative	Capacity representing	Dates of quarterly public ward meetings held during the year
Deidre Fortuin- Molsvlei	Community	22 October 2015
Albie Pool	Commercial Farmers	
Thembele Nkwalas	Community	
Sarah Klaase- Molsvlei	Community	
Ricardo Kock- Stofkraal	Community	
Katriena Stuurman – Kliprand	Community	
Daleen Smith – Put-se-Kloof	Community	
Anthony van Wyk- Stofkraal	Community	
Piet Owies – Nuwerus	Community	
Dries Owies – Bitterfontein	Community	

**Tabel 39: Ward 8 committee meetings**

### 2.3.3 Functionality of Ward Committee

The purpose of a ward committee is:

- ≈ to get better participation from the community to inform council decisions;
- ≈ to make sure that there is more effective communication between the Council and the community; and
- ≈ to assist the ward councillor with consultation and report-backs to the community and
- ≈ ultimately to promote Government's vision of a developmental government

Ward committees should be elected by the community they serve. A ward committee may not have more than 10 members and women should be well represented. The ward councillor serves on the ward committee and act as the chairperson. Although ward committees have no formal powers, they advise the ward councillor who makes specific submissions directly to the Council. These committees play a very important role in the development and annual revision of the IDP of the area.

The table below provides information on the establishment of ward committees and their functionality:

Ward Number	Committee established Yes / No	Number of reports submitted to the Speakers Office	Number meetings held during the year	Number of quarterly public ward meetings held during the year
1	Yes	0	2	1
2	Yes	0	3	0
3	Yes	0	1	0
4	Yes	0	2	1
5	Yes	0	3	1
6	Yes	0	0	0
7	Yes	0	4	0
8	Yes	0	1	0

**Tabel 40: Functionality of ward committee**

### 2.3.4 Representative Forums

#### Labour Forum

The table below specifies the members of the Labour Forum for the 2014/15 financial year:

Name of representative	Capacity	Meeting dates
Cllr P Bok	Executive Mayor (Employer)	29 September 2015 7 December 2015 13 April 2016 22 April 2016 30 June 2016
Cllr W Fortuin	Executive Councillor (Employer)	
Cllr F Bam	Executive Councillor (Employer)	
Vacant	Municipal Manager (Employer)	
Vacant	Director Financial Services (Employer)	
Mr W Conradie	Director Corporate Services (Employer)	
Mr J Pekeur	Director Technical Services (Employer)	
Mr J Swartz	Director Community Services (Employer)	
Mr L Henderson	Chairman SAMWU (Union)	
Mr J Baardman	Shop steward SAMWU (Union)	

Name of representative	Capacity	Meeting dates
Mr V Peters	Shop steward SAMWU (Union)	
Mr R Hendrikse	Shop steward SAMWU (Union)	
Mr E Arendse	Shop steward SAMWU (Union)	
Mrs A Dippenaar	Chairman IMATU (Union)	
Mr D Bhe	Shop steward IMATU (Union)	

Tabel 41: Labour Forum

## COMPONENT D: CORPORATE GOVERNANCE

Corporate governance is the set of processes, practices, policies, laws and stakeholders affecting the way an institution is directed, administered or controlled. Corporate governance also includes the relationships among the many stakeholders involved and the goals for which the institution is governed.

### 2.4 Risk Management

To maintain an overall positive perception of the municipality and confidence in the municipality from the public and other stakeholders, well planned goals and objectives should be coordinated and achieved within the municipality. Section 62(1) of the Local Government: Municipal Finance Management Act, 2003 (Act 56 of 2003) stipulates that the Accounting Officer must take all reasonable steps to ensure that the municipality has and maintains an effective, efficient and transparent system of financial and risk management and internal control as well as the effective, efficient and economical use of the resources of the municipality. The municipality has instituted such a systematic and formalized process in order to identify, assess, manage and monitor risks which effectively ensures achievement of those planned goals and objectives. Thus, risk management is essentially a good governance measure instituted to ensure the municipality accomplish its vision, mission and strategic plans.

The municipality has an approved risk management policy, framework and implementation plan as approved by council on 27 August 2013. The policy is reviewed annually by the risk committee and submitted to the municipal manager for approval.

The risk management function is facilitated internally by one (1) shared service officer to ensure the following functions are performed:

- ≈ Assisting Management to develop the risk management policy, strategy and implementation plan;
- ≈ Coordinating risk management activities;
- ≈ Facilitating identification and assessment of risks;
- ≈ Recommending risk responses to Management; and
- ≈ Developing and disseminating risk reports.

#### Risk Committee

The role of the risk committee is to provide timely and useful enterprise risk management report to the Audit Committee of the municipality. This is currently being done in the form of the minutes of the risk committee that does to the Audit committee for oversight.

Further detail of the roles of the risk committee is included in the approved risk committee charter.

Name of Committee Member	Capacity	Meeting dates
Willie Conradie	Director: Administration	No meetings were held
Jevon Pekeur	Director: Technical Services	
Elias Van Der Westhuizen	Acting Director: Finance	
Jan Swartz	Director: Community Services & Acting Municipal Manager	
Lionel Phillips	Director: Development and Town Planning Services	
Willem Wium	Internal Audit	
Madell Lihou	Risk Manager	

**Tabel 42: Risk Committee**

## 2.5 Anti-Corruption and Anti-Fraud

Section 83(c) of the MSA refers to the implementation of effective bidding structures to minimize the possibility of fraud and corruption and the Municipal Finance Management Act (MFMA), section 112(1)(m)(i) identify supply chain measures to be enforced to combat fraud and corruption, favouritism and unfair and irregular practices. Section 115(1) of the MFMA states that the accounting officer must take steps to ensure mechanisms and separation of duties in a supply chain management system to minimize the likelihood of corruption and fraud.

### Developed Strategies

Name of strategy	Developed Yes/No	Date Adopted
Anti-corruption strategy	Yes	30 May 2009
Fraud prevention action plan	Yes	26 June 2012

**Tabel 43: Anti-Corruption and Anti-Fraud strategies**

### Implementation of Strategies

Strategies to implement	Key Risk Areas	Key measures to curb corruption and fraud
Anti-Fraud and Corruption Policy	Roll out of Anti-Fraud and corruption policy to the internal stakeholders through presentations	Anti-Fraud and Corruption Policy
Ethics Awareness Programme	Roll out of Anti-Fraud and corruption policy to the external stakeholders through outreach programs	Ethics Awareness Programme
Outreach Programme on Fighting Fraud and corruption	Investigations of fraud and corruption	Outreach Programme on Fighting Fraud and corruption
Draft Whistleblowing policy	Monitoring the recommendations with regards to disciplinary, criminal and recovery actions	Draft Whistleblowing policy

**Tabel 44: Implementation Anti-Corruption and Anti-Fraud strategies**

## 2.6 Audit Committee

Section 166(2) of the MFMA states that an audit committee is an independent advisory body which must -

(a) advise the municipal council, the political office-bearers, the accounting officer and the management staff of the municipality, on matters relating to –

- ≈ internal financial control;
- ≈ risk management;
- ≈ performance Management; and
- ≈ effective Governance.

### Functions of the Audit Committee

The Audit Committee have the following main functions as prescribed in section 166 (2) (a-e) of the Municipal Finance Management Act, 2003 and the Local Government Municipal and Performance Management Regulation:

- ≈ To advise the Council on all matters related to compliance and effective governance.
- ≈ To review the annual financial statements to provide Council with an authoritative and credible view of the financial position of the municipality, its efficiency and its overall level of compliance with the MFMA, the annual Division of Revenue Act (DoRA) and other applicable legislation.
- ≈ Respond to the council on any issues raised by the Auditor-General in the audit report.
- ≈ To review the quarterly reports submitted to it by the internal audit.
- ≈ To evaluate audit reports pertaining to financial, administrative and technical systems.
- ≈ The compilation of reports to Council, at least twice during a financial year.
- ≈ To review the performance management system and make recommendations in this regard to Council.
- ≈ To identify major risks to which Council is exposed and determine the extent to which risks have been minimised.
- ≈ To review the annual report of the municipality.
- ≈ Review the plans of the Internal Audit function and in so doing; ensure that the plan addresses the high-risk areas and ensure that adequate resources are available.
- ≈ Provide support to the Internal Audit function.
- ≈ Ensure that no restrictions or limitations are placed on the Internal Audit section.
- ≈ Evaluate the activities of the Internal Audit function in terms of their role as prescribed by legislation.
- ≈ Provide Council with comments and recommendations with regard to the proposed budget for the following year.

### Members of the Audit Committee

Name of representative	Capacity	Meeting dates
A Titus	Chairperson	24 August 2015
D Miller	Member	7 October 2015
		2 December 2015
Z Groenewald	Member	10 February 2016
		11 May 2016

**Tabel 45: Members of the Audit Committee**



## 2.7 Performance Audit Committee

The Regulations require that the performance audit committee is comprised of a minimum of three members, the majority of whom are external (neither a councillor nor an employee) of the municipality. Section 14(2) (b) of the Regulations further stipulates that the performance audit committee must include at least one person who has expertise in performance management. It is also a requirement of the Regulations in Section 14(2)(d) that the Council of a municipality designate neither a member of the performance audit committee who is neither a councillor nor an employee of the municipality as the chairperson of the committee.

Both the Regulations and the MFMA, indicate that three is the minimum number of members needed to comprise a performance audit committee. While the regulations preclude the appointment of a councillor as chairperson of the performance audit committee, the MFMA excludes the involvement of a councillor in the composition of a performance audit committee entirely.

Section 14(3) (a) of the Regulations requires that the performance audit committee of a municipality must meet at least twice during each financial year. However, additional special meetings of the performance audit committee may be called for by any member of the committee, where sufficient justification exists in terms of Section 14(3) (b) of the Regulations.

### Functions of the Performance Audit Committee

In terms of Section 14(4) (a) of the Regulations the performance audit committee has the responsibility to -

- (i) review the quarterly reports produced and submitted by the internal audit process;
- (ii) review the municipality's performance management system and make recommendations in this regard to the council of the municipality; and
- (iii) at least twice during each financial year submit a performance audit report to the council of the municipality.

### Members of the Performance Audit Committee

Name of representative	Capacity	Experience	Meeting dates
A Titus	Chairperson	Law Enforcement in Sheriffing NQF 5 (7-years' experience)	24 August 2015 7 October 2015
D Miller	Member	Bcom (Management Accounting) (3-years' experience)	2 December 2015 10 February 2016
Z Groenewald	Member	B IURIS (1-year experience)	11 May 2016

**Tabel 46: Members of the Performance Audit Committee**

## 2.8 Internal Auditing

Section 165 (2) (a), (b)(iv) of the MFMA requires that:

The internal audit unit of a municipality must –

- a) prepare a risk based audit plan and an internal audit program for each financial year; and
- b) advise the accounting officer and report to the audit committee on the implementation on the internal audit plan and matters relating to risk and risk management.

The Municipality has an In-house Internal Audit function consisting of 2 internal auditors and 1 intern.

## Annual Audit Plan

The Risk Based Audit Plan for 2015/16 was implemented with available resources. The Operational Audit Plan for the 2015/16 financial year was approved by the Audit Committee on **3 June 2015**. The table below provides details on audits completed:

2015/16				
Description			No of Hours	Date completed
Phase 1				
Review of existing risk profile			80	January - February
Compilation of Strategic Audit Plan			80	April – May
Phase 2				
Audit Engagement	Departmental System	Detail	No of Hours	Date completed
Governance Audits (PMS, SDBIP)	All Departments	<ul style="list-style-type: none"> <li>Spending vs Budget</li> <li>Proof of Measurement and allocation</li> <li>Spending of MIG funds</li> <li>Compliance</li> </ul>	800	Quarterly
Auditor general	All	<ul style="list-style-type: none"> <li>Quarterly reporting to the Auditor General</li> <li>Scope meeting</li> <li>COMAF, PAF</li> </ul>	110	June; September - November
Salaries	Finance	Review overtime procedures	200	April - May
Income	Finance, Corporate Services	<ul style="list-style-type: none"> <li>Existence of effective and efficient internal controls for income and cash.</li> <li>Alignment of income procedures with municipal policies</li> <li>Effective and professional communication between the departments/public</li> </ul>	260	Quarterly
OPCAR	All	Reporting on execution of management queries	180	Quarterly
Project Management	Technical Services	To verify that sufficient and effective controls exist	240	October – November
Administration Traffic	Protection Services	<ul style="list-style-type: none"> <li>Existence of effective and efficient internal controls for income and cash.</li> <li>Alignment of income procedures with municipal policies</li> <li>Effective and professional communication between the departments/public</li> </ul>	160	Quarterly
Library Services	Corporate	Existence of effective and efficient internal controls for income and cash.	80	Quarterly
Follow-up Audits	All	<ul style="list-style-type: none"> <li>Evaluation of management actions</li> <li>Internal Audits</li> </ul>	240	Continuously
Ad-hoc Audits	All	Aspects not included in the audit plan	280	Continuously
Attendance of meetings	n/a	Obtain information as requested by the Audit Committee	180	Continuously
Corporate Services	n/a	All administrative tasks	440	Continuously
Instructions: Audit Committee	n/a	Follow-up and investigate reports and minutes	150	Continuously
Total Hours			3 480	

Tabel 47: Internal Audit Coverage Plan

## 2.9 By-Laws and Policies

Section 11 of the MSA gives a Council the executive and legislative authority to pass and implement by-laws and policies.

Below is a list of all the By-laws and policies developed and/or reviewed during the financial year:

Policies developed/ revised	Date adopted	Public Participation Conducted Prior to adoption of policy Yes/No
Standby Service and standby allowance Policy	31 August 2015	n/a
By-law regarding the management and administration of unmovable municipal property	27 October 2015	Yes
By-law regarding emerging farmers	27 October 2015	Yes
Policy regarding private work by officials	27 October 2015	n/a
Audit Committee Charter	10 December 2015	n/a
Clothing (in the workplace) Policy	29 March 2016	n/a
By-law regarding liquor trading days and hours	29 March 2016	Yes
Property Rates Policy	31 May 2016	Yes
Credit Control and Debt Collection Policy	31 May 2016	Yes
Indigent Policy	31 May 2016	Yes
Travel and Subsistence Allowance Policy	31 May 2016	Yes
Letting of caravan park plots and chalets in Matzikama Municipal area	31 May 2016	Yes
Staff Retention Policy	28 June 2016	No

**Tabel 48: By-laws and policies developed/reviewed**

## 2.10 Communication

Local government has a legal obligation and a political responsibility to ensure regular and effective communication with the community. The Constitution of the Republic of South Africa Act 1996 and other statutory enactments all impose an obligation on local government communicators and require high levels of transparency, accountability, openness, participatory democracy and direct communication with the communities to improve the lives of all.

The communities, on the other hand, have a right and a responsibility to participate in local government affairs and decision-making and ample provision is made in the abovementioned legislation for them to exercise their right in this respect. Our democratic government is committed to the principle of *Batho Pele* and this, in simple terms, means that those we elect to represent us (councillors at the municipal level) and those who are employed to serve us (the municipal officials at municipal level) must always put people first in what they do.

South Africa has adopted a system of developmental local government, which addresses the inequalities, and backlogs of the past while ensuring that everyone has access to basic services, to opportunities and an improved quality of life.

To be successful, communications must focus on the issues that are shown to impact on the residents' perceptions, quality of service, value for money and efficiencies. They should ideally look to close the communication-consultation loop, i.e. tell people how they can have a say and demonstrate how those who have given their views have had a real impact.

Communication activities	Yes/No
Communication strategy	Yes
Communication Policy	No
Functional complaint management systems	Yes
Customer satisfaction surveys	No

Tabel 49: Communication activities

### Communication Unit

Communication Unit	Yes/No	Number of people in the Unit	Job titles
	Yes	1	Public Relations Officer

Tabel 50: Communication unit

### Newsletters

Type of Newsletter	Number distributed	Circulation number	Date distributed
External	2	9 000	December 2015 & March 2016

Tabel 51: Newsletters

### Additional Communication Channels Utilised

Channel	Yes/No	Number of People Reached
Facebook	Yes	10 000

Tabel 52: Additional communication channels utilised

## 2.11 Website

Municipalities are required to develop and maintain a functional website that displays relevant information as per the requirements of S75 of the MFMA and S21A and B of the Municipal Systems Act (“MSA”) as amended.

The website should serve as a mechanism to promote accountability and transparency to communities and therefore information posted should be accurate and timeously updated.

The municipal website is a key communication mechanism in terms of service offering, information sharing and public participation. It is a communication tool that should allow easy and convenient access to relevant information. The municipal website should serve as an integral part of the municipality’s communication strategy.

The table below gives an indication about the information and documents that are published on our website.

Description of information and/or document	Yes/No and/or Date Published
<b>Municipal contact details (Section 14 of the Promotion of Access to Information Act)</b>	
Full Council details	Yes
Contact details of the Municipal Manager	Yes
Contact details of the CFO	Yes
Physical address of the Municipality	Yes
Postal address of the Municipality	Yes
<b>Financial Information (Sections 53, 75, 79 and 81(1) of the Municipal Finance Management Act)</b>	
Draft Budget 2015/16	Yes
Adjusted Budget 2015/16	Yes
Customer Care, Credit control & Debt collection Policy	Yes
Indigent Policy	Yes
Funds and Reserves Policy	Yes
Investment & Cash Management Policy	Yes
Rates Policy	Yes
Supply Chain Management Policy	Yes
Tariff Policy	Yes
Virement Policy	Yes
Travel and Subsistence Policy	Yes
Borrowing Policy	Yes
SDBIP 2015/16	Yes
Budget and Treasury Office Structure	No
Budget and Treasury Office delegations	No
<b>Integrated Development Plan and Public Participation (Section 25(4)(b) of the Municipal Systems Act and Section 21(1)(b) of the Municipal Finance Management Act)</b>	
Reviewed IDP for 2015/16	Yes
IDP Process Plan for 2015/16	Yes
<b>Reports (Sections 52(d), 71, 72 &amp; 75(1)(c) and 129(3) of the Municipal Finance Management Act)</b>	
Annual Report of 2014/15	Yes
Oversight reports	No
Mid-year budget and performance assessment	Yes
Quarterly Reports	Yes
<b>Local Economic Development (Section 26(c) of the Municipal Systems Act)</b>	
Local Economic Development Strategy	No
Economic Profile	No
<b>Performance Management (Section 75(1)(d) of the Municipal Finance Management Act)</b>	
Performance Agreements for employees appointed as per S57 of Municipal Systems Act	Yes

**Tabel 53: Website information**

## CHAPTER 3 SERVICE DELIVERY PERFORMANCE

## 3.1 OVERVIEW OF PERFORMANCE WITHIN THE ORGANIZATION

Performance management is a process which measures the implementation of the organization's strategy. It is also a management tool to plan, monitor, measure and review performance indicators to ensure efficiency, effectiveness and the impact of service delivery by the municipality.

At local government level performance management is institutionalized through the legislative requirements on the performance management process for Local Government. Performance management provides the mechanism to measure whether targets to meet its strategic goals, set by the organization and its employees, are met.

*Legislative requirements*

The Constitution of S.A (1996), section 152, dealing with the objectives of local government paves the way for performance management with the requirements for an "accountable government". The democratic values and principles in terms of section 195 (1) are also linked with the concept of performance management, with reference to the principles of inter alia:

- ≈ the promotion of efficient, economic and effective use of resources;
- ≈ accountable public administration;
- ≈ to be transparent by providing information;
- ≈ to be responsive to the needs of the community; and
- ≈ to facilitate a culture of public service and accountability amongst staff.

The Municipal Systems Act (MSA), 2000 requires municipalities to establish a performance management system. Further, the MSA and the Municipal Finance Management Act (MFMA) requires the Integrated Development Plan (IDP) to be aligned to the municipal budget and to be monitored for the performance of the budget against the IDP via the Service Delivery and the Budget Implementation Plan (SDBIP).

In addition, Regulation 7 (1) of the Local Government: Municipal Planning and Performance Management Regulations, 2001 states that "A municipality's Performance Management System (PMS) entails a framework that describes and represents how the municipality's cycle and processes of performance planning, monitoring, measurement, review, reporting and improvement will be conducted, organized and managed, including determining the roles of the different role players." Performance management is not only relevant to the organization as a whole, but also to the individuals employed in the organization as well as the external service providers and the Municipal Entities. This framework, *inter alia*, reflects the linkage between the IDP, Budget, SDBIP and individual and service provider performance.

In terms of section 46(1)(a) of the systems Act (Act 32 of 2000) a municipality must prepare for each financial year a performance report reflecting the municipality's and any service provider's performance during the financial year, including comparison with targets of and with the performance of the previous financial year. The report must, furthermore, indicate the development and service delivery priorities and the performance targets set by the municipality for the following financial year and measures that were or are to be taken to improve performance.

## Organisational performance

Strategic performance indicates how well the municipality is meeting its objectives and whether policies and processes are working effectively. All government institutions must measure and report on their strategic performance to ensure that service delivery is done in an efficient, effective and economical manner. Municipalities must therefore develop strategic plans and allocate resources for the implementation. The implementation of the plans must be monitored on an on-going basis and the results must be reported on during the financial year to various role-players to enable them to timeously implement corrective measures where required.

This report highlight the strategic performance in terms of the municipality's Top Layer Service Delivery Budget Implementation Plan (SDBIP), high level performance in terms of the Strategic Objectives and performance on the National Key Performance Indicators as prescribed in terms of section 43 of the Municipal Systems Act, 2000.

### 3.2 THE PERFORMANCE SYSTEM USED FOR 2015/16

#### The IDP and the Budget

The IDP and the main budget for 2015/16 was approved by Council on **29 May 2015**. As the IDP process and the performance management process are integrated, the IDP fulfils the planning stage of performance management whilst performance management in turn, fulfils the implementation management, monitoring and evaluation of the IDP.

In terms of the performance management framework, the Mayor approved the Top Layer Service Delivery Budget Implementation Plan (SDBIP) on **26 June 2015**. The Top Layer SDBIP indicators are aligned with the budget which was prepared in terms of the reviewed IDP. The indicators in the Top Layer SDBIP include indicators required by legislation, indicators that will assist to achieve the objectives adopted in the IDP and indicators that measure service delivery responsibilities.

The actual performance achieved in terms of the KPI's was reported on quarterly. The indicators and targets were adjusted after the finalisation of the previous year budget and mid-year budget assessment. The Top Layer SDBIP was revised with the Adjustments Budget in terms of section 26 (2)(c) of the Municipal Budget and Reporting Regulations and an amended Top Layer SDBIP was approved by the Council on **26 February 2016**.

The performance agreements of the senior managers were compiled and revised in terms of the SDBIP indicators and the portfolio of evidence that support the actual targets reported.

#### Actual Performance

The municipality utilizes an electronic web based system on which KPI owners update actual performance on a monthly basis. KPI owners report on the results of the KPI by documenting the following information on the performance system:

- ≈ The actual result in terms of the target set.
- ≈ A performance comment.
- ≈ Actions to improve the performance against the target set, if the target was not achieved.

It is the responsibility of every KPI owner to maintain a portfolio of evidence to support actual performance results updated.

## Monitoring of Performance

Municipal performance is measured as follows:

- ≈ Quarterly reports indicating the performance against targets set for the quarter were submitted to Council on the actual performance in terms of the Top Layer SDBIP. Council considered the performance and corrective actions where required.
- ≈ The performance of the first semester were evaluated by the management team and a report was prepared in terms of section of Section 72(1) (a) and 52(d) of the Local Government Municipal Finance Management Act. The report with the performance to date and corrective actions was submitted to Council on **28 January 2016**.
- ≈ After the mid-year assessment, adjustments to Key Performance Indicators were submitted to Council for approval with the Adjustment Budget.

### 3.3 STRATEGIC SERVICE DELIVERY BUDGET IMPLEMENTATION PLAN

This section provides an overview on the achievement of the municipality in terms of the strategic intent and deliverables achieved as stated in the IDP. The Top Layer SDBIP assists with documenting and monitoring of the municipality's strategic plan and shows the strategic alignment between the IDP, Budget and Performance plans.

In the paragraphs below the performance achieved is illustrated against the Top Layer SDBIP KPI's applicable to 2015/16 in terms of the IDP strategic objectives.

**The following table explains the method by which the overall assessment of the actual performance against the targets set for the key performance indicators (KPI's) of the SDBIP are measured:**

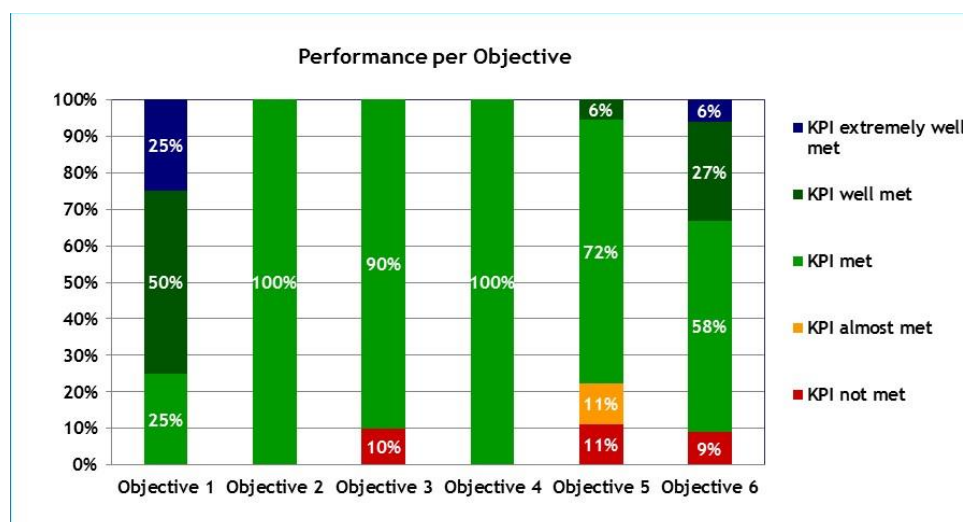
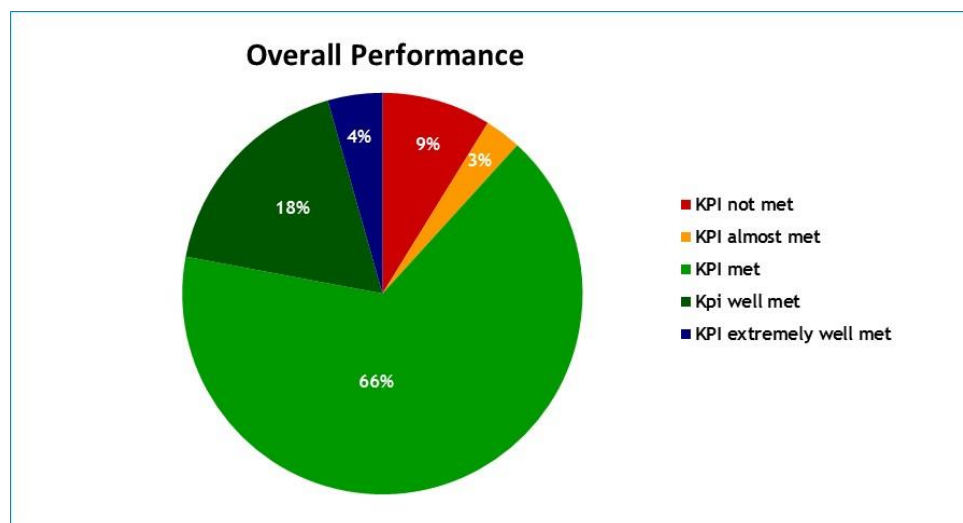
Category	Colour	Explanation
KPI Not Yet Measured		KPI's with no targets or actuals in the selected period
KPI Not Met		0% > = Actual/Target < 75%
KPI Almost Met		75% > = Actual/Target < 100%
KPI Met		Actual/Target = 100%
KPI Well Met		100% > Actual/Target < 150%
KPI Extremely Well Met		Actual/Target > = 150%

**Figure 2.: SDBIP Measurement Criteria**



## Overall Performance as per Top Layer SDBIP

The overall performance results achieved by the Municipality in terms of the Top Layer SDBIP are illustrated in the tables and graphs below:



Measurement Category	Objective 1	Objective 2	Objective 3	Objective 4	Objective 5	Objective 6	Total
	Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment	To capacitate all communities to participate in the development processes of the Municipality	To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability	To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups	To promote a transparent and caring Municipality that is accountable to its citizens	To promote access to adequate, affordable and well maintained municipal basic services	
KPI Not Met	0	0	1	0	2	3	6
KPI Almost Met	0	0	0	0	2	0	2
KPI Met	1	2	9	1	13	19	45
KPI Well Met	2	0	0	0	1	9	12
KPI Extremely Well Met	1	0	0	0	0	2	3
Total	4	2	10	1	18	33	68

Graph 1.: Overall Performance per strategic objective

Actual performance as per Top Layer SDBIP according to strategic objectives

**Strategic objective 1: Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment**

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL33	Facilitate the establishment of 3 BBBEE business entities by 30 June 2016	Number of entities established by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	1	1	1	3	4	G 2
TL69	Number of temporary and permanent jobs created through local economic development projects by 30 June 2016	Number of temporary and permanent jobs opportunities created by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	30	30	130	B
TL70	Number of temporary jobs created through capital projects by 30 June 2016	Number of temporary jobs opportunities created by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	50	50	69	G 2
TL71	Number of temporary jobs created through EPWP projects and other operational projects by 30 June 2016	Number of temporary jobs opportunities created by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	60	0	90	150	150	G

**Tabel 54:** Strategic objective 1: Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment

**Strategic objective2: To capacitate all communities to participate in the development processes of the Municipality**

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL38	Hold 3 ward committee training sessions by 30 June 2016	Number of training sessions held by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	1	1	1	3	3	G
TL39	Hold training sessions for the members of the LED forum by 31 March 2016	Training sessions held by 31 March 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	1	0	1	1	G

**Tabel 55:** Strategic objective2: To capacitate all communities to participate in the development processes of the Municipality

*Strategic objective 3: To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability*

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL11	Financial viability measured in terms of the municipality's ability to meet its service debt obligations as at 30 June 2016 ((Total operating revenue- operating grants received)/debt service payments due within the year)	Ratio achieved as at 30 June 2016 (Total operating revenue- operating grants received)/debt service payments due within the year)	All	25.22	0	0	0	32.5	32.5	32.5	G
TL12	Financial viability measured in terms of the outstanding service debtors as at 30 June 2016 (Total outstanding service debtors/ revenue received for services)	% achieved as at 30 June 2016 (Total outstanding service debtors/ revenue received for services)	All	37.90%	0%	0%	0%	18.40%	18.40%	20%	R
	Corrective measures	More effective implementation of the Debt Collection policy and to consider the services of a debt collector.									
TL13	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2016 ((Available cash+ investments)/ Monthly fixed operating expenditure)	Ratio achieved as at 30 June 2016 ((Available cash+ investments)/ Monthly fixed operating expenditure)	All	0.55	0	0	0	0.3	0.3	0.3	G
TL62	Achieve a debtors payment percentage of 90% at 30 June 2016 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2016	All	99.80%	0%	0%	0%	90%	90%	90%	G
TL63	Submit the annual financial statements by 31 August 2015 to the Office of the Auditor-General	Financial statements submitted by 31 August 2015 to the Office of the Auditor-General	All	1	1	0	0	0	1	1	G
TL64	Prepare and submit the annual adjustment budget to Council by 28 February 2016	Budget submitted to council by 28 February 2016	All	1	0	0	1	0	1	1	G
TL65	Prepare and submit the draft main budget to Council by 31 March 2016	Draft budget submitted by 31 March 2016	All	1	0	0	1	0	1	1	G
TL66	Prepare and submit the final main budget to Council by 31 May 2016	Final budget submitted by 31 May 2016	All	1	0	0	0	1	1	1	G
TL67	Prepare the mid-year budget report in terms of section 72 of the MFMA and submit to the Mayor by 25 January 2016	Report submitted to Mayor by 25 January 2016	All	1	0	0	1	0	1	1	G
TL68	Review and submit all previously approved	% of all previously approved budget and	All	12	0	0	12	0	12	12	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
	budget and related policies to Council with the draft budget by 31 March 2016	related policies submitted to council by 31 March 2016									

**Tabel 56:** *To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability*

*Strategic objective 4: To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups*

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL36	Develop ward plans to be included in the IDP by 31 March 2016	Ward plans developed and included in the IDP by 31 March 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	8	0	8	8	G

**Tabel 57:** *Strategic objective 4: To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups*

*Strategic objective 5: To promote a transparent and caring Municipality that is accountable to its citizens*

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL9	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	1	0	0	0	1	1	1	G
TL10	The percentage of the municipality's salary budget actually spent on implementing its workplace skills plan by 31 May 2016 [(Actual amount spent on training/total personnel budget)x100]	(Actual amount spent on training/total salary budget)x100	All	0.51%	0%	0%	0%	0.40%	0.40%	0.60%	G 2
TL15	Compile the Risk based Audit Plan and submit to the Audit Committee for approval by 31 May 2016	RBAP submitted to the Audit Committee by 31 May 2016	All	1	0	0	0	1	1	0	R
	Corrective measures	Due to miscommunication the RBAP was not tabled at the last Audit Committee meeting scheduled before 30 June and due to budget constraints a special Audit Committee meeting could not be arranged to approve the RBAP in time. The Internal Audit unit will ensure that the communication for Audit Committee meetings is more effectively handled in the future.									
TL16	% of audits completed in terms of the Risk Based Audit plan by 30 June 2016 {(Planned audits completed divided by the audits planned for the financial year)x100}	% of planned audits completed by 30 June 2016	All	90%	10%	30%	50%	80%	80%	80%	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL30	Submit monthly report to Council on the state of municipal public buildings (including community halls, libraries, etc)	Number of reports submitted Council	All	New Key Performance Indicator for 2015/16. No comparatives available.	3	3	3	3	12	12	G
TL31	100% of the findings of the Auditor General (AG) on Community Services implemented within the agreed time frames as per Audit Action Corrective Plan by 31 December 2015 {(Number of findings implemented divided by total number of findings received)x100}	% of AG findings for Community Services implemented within the agreed time frames as per Audit Action Corrective Plan by 31 December 2015	All	New Key Performance Indicator for 2015/16. No comparatives available.	0%	100%	0%	0%	100%	100%	G
TL32	100% of Auditor General's queries (Comafs) for Community Services for which an action plan was submitted within 3 working days {(Number of Comaf's for which action plans were developed/ Total number of Comaf's received for which actions plans must be developed)x100}	% of applicable Comaf's for which an action plan was submitted within 3 working days	All	New Key Performance Indicator for 2015/16. No comparatives available.	100%	100%	0%	0%	100%	100%	G
TL34	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to the Auditor-General by 31 August 2015	Report submitted to the Auditor-General by 31 August 2015	All	1	1	0	0	0	1	1	G
TL35	Submit the Draft Annual Report to Council by 31 January 2016	Report submitted to council by 31 January 2016	All	1	0	0	1	0	1	1	G
TL40	Limit the funded vacancy rate to less than 5% of budgeted posts by 30 June 2016 {(Actual approved budgeted vacant positions divided by the total budgeted approved posts)x100}	Vacancy rate {(Actual approved budgeted vacant positions divided by the total budgeted approved posts)x100}	All	9%	0%	0%	0%	5%	5%	5%	G
TL41	Report quarterly to Council on progress with the review of the organogram	Number of progress reports submitted to Council	All	New Key Performance Indicator for 2015/16. No comparatives available.	1	1	1	1	4	3	O
	Corrective measures	A quarterly report on the progress with the review of the organogram was not submitted to council in quarter 1 as we did not received feedback at that stage from the Provincial Treasury regarding our roll-over application for the funding allocated to us in 2014/15 for the project.									
TL42	Review the municipal organogram and submit to council by the 30 June 2016	Organogram reviewed and submitted to council by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL43	95% of capital budget for Corporate Services spent by 30 June 2016 to complete capital projects {(Actual expenditure on capital projects divided by the total budget for capital projects )x100}	% of Corporate Services capital budget spent by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0%	25%	70%	95%	95%	94%	O
	Corrective measures	All the capital projects were completed. VAT on ICT capital projects had to be excluded and the capital expenditure for libraries had to be included in operational expenditure as the service is rendered on an agency basis.									
TL44	100% of the findings of the Auditor General (AG) on Corporate Services implemented within the agreed time frames as per Audit Action Corrective Plan by 31 December 2015 {(Number of findings implemented divided by total number of findings received)x100}	% of AG findings for Corporate Services implemented by 31 December 2015	All	New Key Performance Indicator for 2015/16. No comparatives available.	0%	100%	0%	0%	100%	100%	G
TL45	Develop and submit a work skills plan that links training needs to capital projects and submit to LGSETA by 31 May 2016	Work skills plan that links training needs to capital projects developed and submitted to LGSETA by 31 May 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G
TL46	Replace the TRUSC IT back-up system with the Municipality's own back-up system by 31 December 2015	IT back-up system replaced by the Municipality's own system by 30 December 2015	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	1	0	0	1	1	G
TL47	90% of planned training sessions realized by 31 May 2016 [(Number of training sessions realized/Total number of training sessions planned)x100}	% of Training sessions realized by 31 May 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0%	50%	0%	90%	90%	49%	R
	Corrective measures	The municipality planned in its 2015/16 Workplace Skills Plan (WSP) to have different training sessions for 144 beneficiaries. On 30 June 2016 149 employees receive training in the 2015/16 financial year; 71 employees for needs identified by the WSP and 78 employees received training for <i>ad hoc</i> training needs. The WSP is only a plan and the Municipality has no control over various external and/or internal factors that influence the implementation of the plan.									
TL48	Develop retention/talent management policy, submit to council and implement by 31 March 2016	Retention/talent management policy developed, submitted to Council and implemented by 31 March 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	1	0	1	1	G

**Table 58:** Strategic objective 5: To promote a transparent and caring Municipality that is accountable to its citizens

Strategic objective 6: To promote access to adequate, affordable and well maintained municipal basic services

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL1	Number of formal residential properties that which are billed for water or have pre paid meters that is connected to the municipal water infrastructure network as at 30 June 2016	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2016	All	9295	0	0	0	7,966	7,966	9,145	G 2
TL2	Number of formal residential properties which are billed for electricity or have pre paid meters as at 30 June 2016 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre paid meters as at 30 June 2016 (Excluding Eskom areas)	All	11255	0	0	0	6,904	6,904	8,893	G 2
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2016	Number of residential properties which are billed for sewerage as at 30 June 2016	All	7970	0	0	0	7,966	7,966	8,135	G 2
TL4	Provide free basic water to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic water as at 30 June 2016	All	1854	0	0	0	2,100	2,100	2,827	G 2
TL5	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic electricity as at 30 June 2016	All	1854	0	0	0	2,100	2,100	2,827	G 2
TL6	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic sanitation as at 30 June 2016	All	1674	0	0	0	2,200	2,200	2,637	G 2
TL7	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2016	Number of households receiving free basic refuse removal as at 30 June 2016	All	1854	0	0	0	2,200	2,200	2,815	G 2
TL14	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2016 {(Actual amount spent on projects /Total amount budgeted for capital projects)X100}	% of the municipal budget spent by 30 June 2016 {(Actual amount spent on projects as identified for the year in the IDP/Total amount budgeted for capital projects)X100}	All	90%	0%	0%	0%	90%	90%	99%	G 2
TL17	Hold a public information meeting by 31 May 2016 to raise awareness with regard to floods before the raining season	Public meeting held by 31 May 2016	All	0	0	0	0	1	1	1	G
TL18	Hold 12 roadblocks per annum by 30 June 2016 that are verified by the	Number of roadblocks held by 30 June 2016	All	22	3	3	3	3	12	20	B

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
	Director responsible on approved template										
TL20	Service 80 sites by 31 March 2016 for housing development in Klawer	Number of sites serviced	6	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	80	0	80	80	G
TL21	Service 50 sites by 31 March 2016 for housing development in Vredendal	Number of sites serviced	4		0	0	50	0	50	50	G
TL22	Purchase a refuse compactor by 31 May 2016	Compactor purchased by 31 May 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G
TL23	95% of capital budget for Community Services spent by 30 June 2016 to complete capital projects {(Actual expenditure on capital projects divided by the total budget for capital projects )x100}	% of Community Services capital budget spent by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0%	25%	70%	95%	95%	110%	G 2
TL24	Review the Housing Settlement Plan and submit to Council by 31 March 2016	Housing Settlement Plan reviewed and submitted to Council by 31 March 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	1	0	1	1	G
TL25	Review the Disaster Management Plan and submit to Council by 31 March 2016	Disaster Management Plan reviewed and submitted to Council by 31 March 2016	All		0	0	1	0	1	1	G
TL26	Submit monthly waste management reports to the Executive Mayoral Committee that include the tonnage of recyclable and non-recyclable waste	Number of reports submitted Executive Mayoral Committee	All	New Key Performance Indicator for 2015/16. No comparatives available.	3	3	3	3	12	12	G
TL27	Submit monthly waste management reports on the templates of the department to the Department of Environmental Affairs and Development Planning	Number of reports submitted to the Department of Environmental Affairs and Development Planning	All		3	3	3	3	12	12	G
TL28	Revise the housing pipe line and submit to Council for approval by 30 June 2016	Revised housing pipeline submitted to Council by 30 June 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G
TL29	100% of the housing allocation by the Provincial Government spent by 31 March 2016 {(Actual expenditure divided by the total allocation received)x100}	% of the housing allocation spent by 31 March 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0%	0%	100%	0%	100%	100%	G



Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL37	Develop a proposal for GAP housing development and submit to council for consideration by 31 May 2016	Proposal developed and submitted to council by 31 May 2016	All	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	0	R
	Corrective measures	It was not possible to develop a proposal for GAP Housing as the land earmarked for the development is not correctly zoned and no funds are available at this stage to purchase other suitable land. KPI should have been deleted.									
TL50	Limit unaccounted for electricity to less than 12% by 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	% unaccounted electricity at 30 June 2016 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	All	16.60%	0%	0%	0%	12%	12%	14.20%	R
	Corrective measure	Old meter will have to be replaced.									
TL51	Install electricity connections to 80 houses in Klawer by 31 March 2016	Number of electricity connections installed by 31 March 2016	6	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	80	0	80	20	R
	Corrective measure	Project was delayed by Department Housing for approving the houses application and construction started late. The number of households completed at end of March 2016 were 20 and the remaining 60 were completed by 30 June 2016.									
TL52	Upgrading of bulk electricity in Vredendal by 30 June 2016	Bulk electricity cable purchased by 30 June 2016	3; 4; 5	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G
TL53	Limit unaccounted for water to less than 15% by 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified} × 100}	% unaccounted water at 30 June 2016 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified} × 100}	All	9.70%	0%	0%	0%	15%	15%	0.50%	B
TL54	Spend 100% of the DWS subsidy for the upgrade of the Desalination Plant in Bitterfontein by 31 March 2016 {(Actual expenditure divided by the subsidy received }x100}	% of subsidy spent for the upgrade of the Desalination Plant in Bitterfontein spent by 31 March 2016 {(Actual expenditure divided by the subsidy received }x100}	8	100.66%	5%	30%	100%	0%	100%	100%	G
TL55	Construct 2ML raw water dam (WTW) in Klawer by 30 June 2016	Project Completed by 30 June 2016	6	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G
TL56	Upgrade the Doringbay Slipway by 30 June 2016	Project Completed by 30 June 2016	2	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G

Ref	KPI	Unit of Measurement	Wards	Previous Year Actual	Overall performance for 2015/16						
					Targets					Actual	
					Q1	Q2	Q3	Q4	Annual		
TL57	Complete phase 2 of the construction of the Klawer WWTW by 31 December 2016	Project Completed by 31 December 2016	6	New Key Performance Indicator for 2015/16. No comparatives available.	0	1	0	0	1	1	G
TL58	Upgrade the Klawer WWTW by 30 June 2016	Project Completed by 30 June 2016	6		0	0	0	1	1	1	G
TL59	Construct Bitterfontein Sewerage network by 30 June 2016	Project Completed by 30 June 2016	8	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G
TL60	Upgrade Alpha street in Klawer by 30 June 2016	Project Completed by 30 June 2016	6		0	0	0	1	1	1	G
TL61	Construct sidewalks in Lutzville by 30 June 2016	Project Completed by 30 June 2016	1	New Key Performance Indicator for 2015/16. No comparatives available.	0	0	0	1	1	1	G

**Tabel 59:** Strategic objective 6: To promote access to adequate, affordable and well maintained municipal basic services

### 3.4 MUNICIPAL FUNCTIONS

#### 3.4.1 Analysis of Functions

The table below indicates the functional areas that the municipality are responsible for in terms of the Constitution:

Municipal Function	Municipal Function Yes / No
Constitution Schedule 4, Part B functions:	
Air pollution	MOU with WCDM
Building regulations	Yes
Child care facilities	Yes
Electricity and gas reticulation	Yes
Fire Fighting services	MOU with WCDM
Local tourism	Yes
Municipal airports	Yes
Municipal planning	Yes
Municipal health services	No
Municipal public transport	Yes
Municipal public works only in respect of the needs of municipalities in the discharge of their responsibilities to administer functions specifically assigned to them under this Constitution or any other law	Yes
Pontoons, ferries, jetties, piers and harbours, excluding the regulation of international and national shipping and matters related thereto	Yes
Stormwater management systems in built-up areas	Yes
Trading regulations	Yes
Water and sanitation services limited to potable water supply systems and domestic waste-water and sewage disposal systems	Yes

Municipal Function	Municipal Function Yes / No
Constitution Schedule 5, Part B functions:	
Beaches and amusement facilities	Yes
Billboards and the display of advertisements in public places	Yes
Cemeteries, funeral parlours and crematoria	Yes
Cleansing	Yes
Control of public nuisances	Yes
Control of undertakings that sell liquor to the public	Yes
Facilities for the accommodation, care and burial of animals	Yes
Fencing and fences	Yes
Licensing of dogs	Yes
Licensing and control of undertakings that sell food to the public	Yes
Local amenities	Yes
Local sport facilities	Yes
Markets	Yes
Municipal abattoirs	Yes
Municipal parks and recreation	Yes
Municipal roads	Yes
Noise pollution	Yes
Pounds	Yes
Public places	Yes
Refuse removal, refuse dumps and solid waste disposal	Yes
Street trading	Yes
Street lighting	Yes
Traffic and parking	Yes

Tabel 60: Analysis of functions

### 3.5 SERVICE PROVIDERS PERFORMANCE

Section 76(b) of the MSA states that KPIs should inform the indicators set for every municipal entity and the service provider with whom the municipality has entered into a service delivery agreement. A service provider:

- ≈ Means a person or institution or any combination of persons and institutions which provide to or for the benefit of the local community.
- ≈ External service provider means an external mechanism referred to in section 76(b) which provides a municipal service for a municipality.
- ≈ Service delivery agreement means an agreement between a municipality and an institution or person mentioned in section 76(b) in terms of which a municipal service is provided by that institution or person, either for its own account or on behalf of the municipality.

During the year under review, the municipality did not appoint any service providers who provided municipal services to or for the benefit of the local community on behalf of the municipality and therefore this report contains no such details. All other contract appointments are regularly monitored and ensured, that the requirements of the contract is complied with.

### 3.6 COMPONENT A: BASIC SERVICES

This component includes basic service delivery highlights and challenges, including details of services provided for water, waste water (sanitation), electricity, waste management, housing services and a summary of free basic services.

#### 3.6.1 National Key Performance Indicators – Basic Service Delivery and Local Economic Development

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Areas: Basic Service Delivery and Local Economic Development.

KPA & INDICATORS	2014/15	2015/16
<b>Basic Service Delivery</b>		
The number of households with access to free basic water	2 281	2 827
The number of households with access to free basic electricity	2 281	2 827
The number of households with access to free basic sanitation	2 093	2 637
The number of households with access to free basic solid waste removal	2 281	2 815
The number of households with access to basic level of water	9 295	**9 145
The number of households with access to basic level of sanitation	7 970	**8 135
The number of households with access to basic level of electricity	11 255	**8 893
The number of households with access to basic level of solid waste removal	*9 066	**9 682
<b>Local economic development</b>		
The number of jobs created through municipality's local economic development initiatives including capital projects	***348	****349
<p>*Represents the number of households that were billed as at 30 June 2015</p> <p>**Represents the number of households that were billed as at 30 June 2016</p> <p>***Represents the number of temporary and permanent jobs opportunities created through the municipality's local economic development initiatives including labour intensive capital projects as at 30 June 2015</p> <p>****Represents the number of temporary jobs created through EPWP projects and other operational projects (150); the number of temporary jobs created through capital projects (69) and the number of temporary and permanent jobs created through local economic development projects (130) as at 30 June 2016</p>		

**Tabel 61: National KPIs – Basic Service Delivery and Local Economic Development**

### 3.6.2 Water Services

#### Introduction

One of the key challenges for the Municipality is to ensure that the necessary bulk infrastructure is in place in order to meet the future demands. Potable water is supplied to all existing consumers and there are no basic water and sanitation service backlogs in the urban areas of the municipal area. It is a given that there might be households on the farms in the rural areas with existing service levels below the Reconstruction and Development Programme (RDP) standard.

Rehabilitation and maintenance of existing infrastructure is a priority which needs to be addressed in future. Due to the lack of adequate funds, such maintenance is in competition with the need to extend services to poor communities.

#### Highlights: Water Services

The table below specifies the highlight for the year for Water Services:

Highlights	Description
New 2ML raw water dam	The construction of a new 2ML raw water dam was completed.
New Chlorine dose systems	Installation of chlorine dosing systems at various water works.
Upgrading reservoir	The old reservoir at Bitterfontein was refurbished.
Quality of drinking water	The water quality for the drinking water in the municipal area complies fully with the SANS 241 criteria.
Reduction in water losses	The quick response to fixing leaking pipes and the replacement of old water meters contribute to the reduction of water losses.

**Tabel 62: Highlights: Water Services**

#### Challenges: Water Services

The challenges for the year were as follow:

Description	Actions to address
Shortage of skilled staff	Possibilities will have to be investigated to train and skill existing staff.
Vandalism of infrastructure	Raise awareness among the public to take ownership of infrastructure.

**Tabel 63: Challenges: Water Services**

#### Water Services Statistics

Economic activities in the municipal management area include agriculture, processing of agricultural products, mining, fishing and tourism. Water supply by the Municipality is driven primarily by domestic water demand and business and industrial consumers in the towns. Vredendal is by far the largest town in the area and is also centrally located, rendering it the logical economic and administrative centre. Vanrhynsdorp, Klawer and Lutzville could be regarded as secondary towns with established business districts. Addressing the housing backlog in the municipal area is the main driver of increasing water demand.

Total Use of Water by Sector (kl)				
Year	Agriculture	Forestry	Industrial	Domestic
2014/15	0	0	413 773	3 629 817
2015/16	0	0	313 462	3 354 832

**Tabel 64: Total use of water by sector**

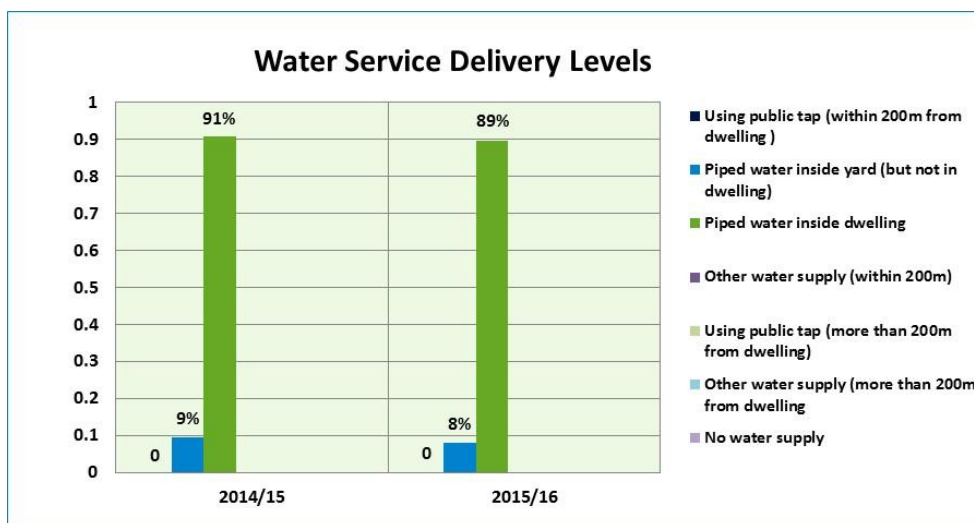
## Water Services Service Delivery Levels

The table below specifies the different water service delivery levels per households for the financial years 2014/15 and 2015/16:

Number of Households		
Description	2014/15	2015/16
<b><i>Water: (above min level)</i></b>		
Piped water inside dwelling	9 295	9 519
Piped water inside yard (but not in dwelling)	973	861
Using public tap (within 200m from dwelling )	0	265
Other water supply (within 200m)	0	0
<b><i>Minimum Service Level and Above sub-total</i></b>	<b><i>10 268</i></b>	<b><i>10 645</i></b>
<b><i>Minimum Service Level and Above Percentage</i></b>	<b><i>100</i></b>	<b><i>100</i></b>
<b><i>Water: (below min level)</i></b>		
Using public tap (more than 200m from dwelling)	0	0
Other water supply (more than 200m from dwelling)	0	0
No water supply	0	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b><i>0</i></b>	<b><i>0</i></b>
<b><i>Below Minimum Service Level Percentage</i></b>	<b><i>0</i></b>	<b><i>0</i></b>
<b>Total number of households</b>	<b>10 268</b>	<b>10 645</b>

Tabel 65: Water Services service delivery levels

The graph below illustrates the different water service delivery levels per total households:



Graph 2.: Water Services service delivery levels

Potable water is supplied to all existing consumers and there are no basic water and sanitation service backlogs in the urban areas of the municipality. All the formal households in the urban areas are provided with water connections and waterborne sanitation facilities inside the houses (higher level of service). Communal ablution facilities are provided in the informal areas as a temporary emergency service.

The municipality works towards providing all households in the towns with a water connection inside the house and connecting all households to a waterborne sanitation system. As mentioned before, it is a given that there might be households on the farms in the rural areas with existing service levels below RDP standard. The municipality is faced with various challenges with regard to the provision of services on private owned land in a financial sustainable manner.

**Employees: Water Services**

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	1	3	3	0	0
4 - 6	5	5	5	0	0
7 - 9	0	1	1	0	0
10 - 12	1	1	1	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>7</b>	<b>10</b>	<b>10</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June.

**Tabel 66: Employees: Water Services**

**Capital Expenditure: Water Services**

The table below indicates that an amount of **R9,121 million** was spent on capital projects relating to Water Services.

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
2 ML Raw water dam Klawer Water Treatment Works (WTW)	6 900	6 900	6 900	0	6 900
Dooringbaai slipway	480	480	480	0	480
Data loggers Bitterfontein desalination plant	1 500	1 500	1 440	(60)	1 440
Upgrading chlorine dosing systems	100	100	138	38	138
Fresh water pumps	50	50	121	71	121
Water pump	10	25	21	11	21
Water pump	10	25	21	11	21
<b>Total</b>	<b>9 050</b>	<b>9 080</b>	<b>9 121</b>	<b>71</b>	<b>9 121</b>

**Tabel 67: Capital expenditure: Water Services**

**3.6.3 Waste Water (Sanitation) Services****Introduction**

One of the key challenges for the Municipality is to ensure that the necessary bulk infrastructure is in place in order to meet the future demands.

Sanitation services are supplied to all existing consumers and there are no basic sanitation service backlogs in the urban areas of the Municipality. It is a given that there might be households on the farms in the rural areas with existing service levels below RDP standard.

The bulk waste water projects completed during 2015/16 as mentioned below were specifically aimed at putting the necessary bulk waste water (sanitation) infrastructure in place to address the housing backlogs in the urban areas.

Rehabilitation and maintenance of existing infrastructure is a priority which needs to be addressed. Due to the lack of adequate funds such maintenance is in competition with the need to extend services to poor communities.

### Highlights: Waste Water (Sanitation) Services

The highlights for the year were as follow:

Highlights	Description
Upgrading of the Klawer Waste Water Treatment Works (WWTW)	The existing WWTW has been upgraded to a Sequencing Batch Reactor (SBR) system, including new sludge dams and pipelines.
Sewer network for Bitterfontein	Constructed new sewer pipelines for Bitterfontein to replace septic tanks.

Tabel 68: Highlights: Waste Water (Sanitation) Services

### Challenges: Waste Water (Sanitation) Services

The following challenge is experienced:

Description	Actions to address
A shortage of trained operators at WWTW's	Possibilities will have to be investigated to train operators.

Tabel 69: Challenges: Waste Water (Sanitation) Services

### Waste Water Services (Sanitation) Service Delivery Levels

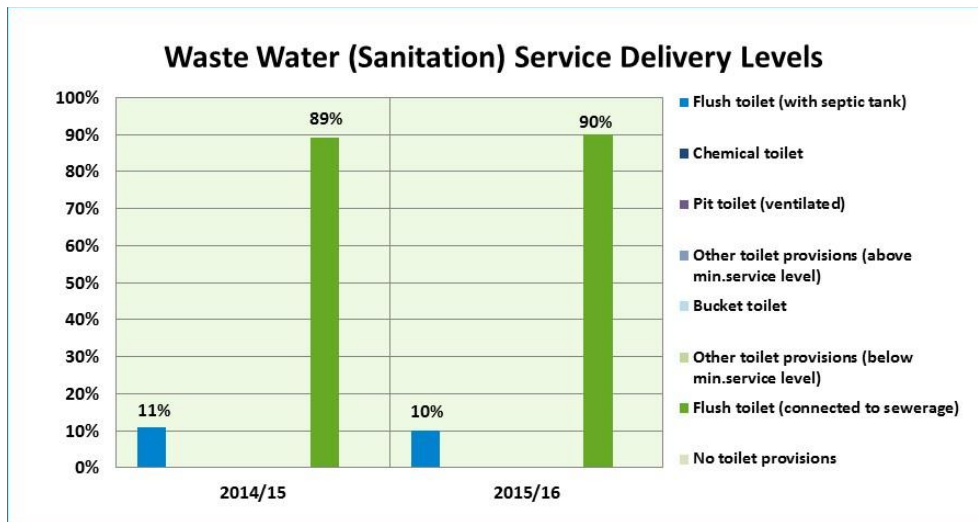
The table below specifies the different sanitation service delivery levels per households for the financial years 2014/15 and 2015/16:

Number of Households		
Description	2014/15	2014/15
<u>Sanitation/sewerage: (above minimum level)</u>		
Flush toilet (connected to sewerage)	7 970	8 135
Flush toilet (with septic tank)	970	912
Chemical toilet	0	0
Pit toilet (ventilated)	0	0
Other toilet provisions (above min. service level)	0	0
<b>Minimum Service Level and Above sub-total</b>	<b>8 940</b>	<b>9 047</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<u>Sanitation/sewerage: (below minimum level)</u>		
Bucket toilet	0	0
Other toilet provisions (below min. service level)	0	0
No toilet provisions	0	0
<b>Below Minimum Service Level sub-total</b>	<b>0</b>	<b>0</b>
<b>Below Minimum Service Level Percentage</b>	<b>0</b>	<b>0</b>
<b>Total households</b>	<b>8 940</b>	<b>9 047</b>

Tabel 70: Waste Water Services (Sanitation) service delivery levels



The graph below illustrates the different water service delivery levels per total households:



Graph 3.: Waste Water (Sanitation) Services service delivery levels

### Employees: Waste Water (Sanitation) Services

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	3	3	3	0	0
4 - 6	0	0	0	0	0
7 - 9	3	3	2	1	33
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>6</b>	<b>6</b>	<b>5</b>	<b>1</b>	<b>17</b>

*Employees and Posts numbers are as at 30 June.*

Tabel 71: Employees: Waste Water (Sanitation) Services

### Capital Expenditure: Waste Water (Sanitation) Services

The table below indicates that an amount of **R5,063 million** was spent on capital projects relating to Waste Water Services.

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Upgrading Klawer Waste Water Treatment Works (WWTW)	3 000	3 000	3 000	0	3 000
Bitterfontein sewerage network	610	610	610	0	610
Upgrading of Lutzville oxidation dams	0	860	860	860	860
Replacement of aerator Vredendal-South WWTW	210	210	210	0	210
Replacement of sewerage pump , sewerage truck - CV14381	50	0	0	(50)	0
Sewerage pump	50	42	383	333	383
<b>Total</b>	<b>3 920</b>	<b>4 722</b>	<b>5 063</b>	<b>1143</b>	<b>5 063</b>

Tabel 72: Capital expenditure: Waste Water (Sanitation) Services

### 3.6.4 Electricity Services

#### Introduction

The Municipality focuses on the provision of basic electricity services to all households in its municipal area. We strive to deliver to all consumer's a quality and reliable electricity supply as stipulated in national legislation (NRS 048). Supply voltage is kept to 230V ( $\pm 10\%$ ) for single phase supplies and 400V ( $\pm 10\%$ ) for three phase supplies.

We are committed to effective credit control that include effective metering, accurate meter reading and the rendering of accurate accounts with a transparent tariff structure. Faulty meters are replaced continuously after verification. System losses are closely monitored and, as such, new meters have been installed for all general municipal consumption points, including municipal buildings, sport fields and streetlights. The Municipality also monitors illegal connections and meter tampering very closely.

#### Highlights: Electricity Services

The table below specifies the highlights for the year:

Highlights	Description
Electrical Master Plan	Development of an Electricity Master Plan for the Municipality (Vredendal).
Electrification of 80 houses	80 new houses in Klawer received electricity.
Replacement of bulk electricity meters	121 old bulk electricity meters were replaced with new meters.

**Tabel 73: Highlights: Electricity Services**

#### Challenges: Electricity Services

The following challenges are experienced:

Description	Actions to address
Reduce electricity losses	Installing of new bulk meters and disconnection of illegal connections.
Tampering with electricity meters	Regular inspections of meters.

**Tabel 74: Challenges: Electricity Services**

#### Electricity Services Service Delivery Levels

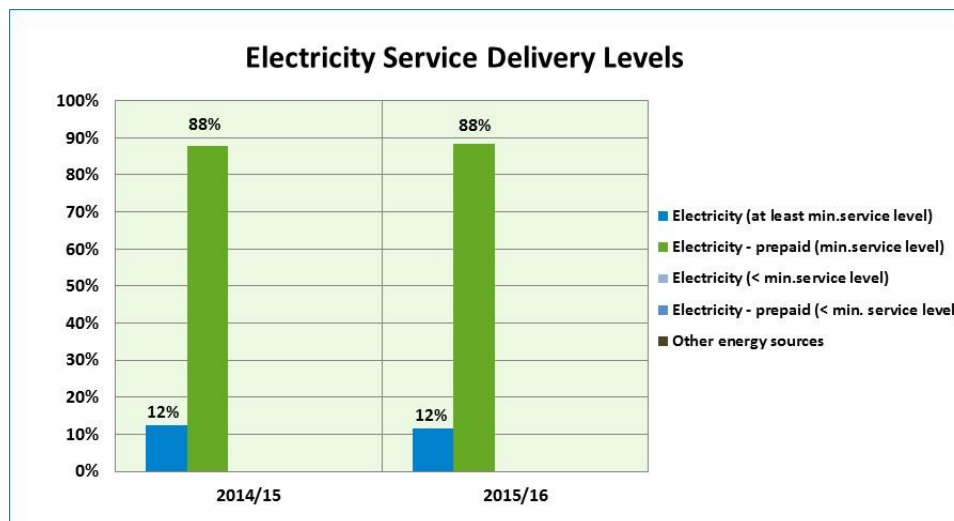
The table below specifies the different electricity service delivery levels per households for the financial years 2014/15 and 2015/16:

Number of Households		
Description	2014/15	2015/16
<b>Energy: (above minimum level)</b>		
Electricity (at least min.service level)	1 394	1 290
Electricity - prepaid (min.service level)	9 861	9 890
<b>Minimum Service Level and Above sub-total</b>	<b>11 255</b>	<b>11 180</b>
<b>Minimum Service Level and Above Percentage</b>	<b>100</b>	<b>100</b>
<b>Energy: (below minimum level)</b>		
Electricity (< min.service level)	0	0
Electricity - prepaid (< min. service level)	0	0
Other energy sources	0	0

Number of Households		
Description	2014/15	2015/16
<i>Below Minimum Service Level sub-total</i>	0	0
<i>Below Minimum Service Level Percentage</i>	0	0
Total number of households	11 255	11 180

Tabel 75: Electricity Services service delivery levels

The graph below illustrates the different water service delivery levels per total households:



Graph 4.: Electricity Services service delivery levels

### Employees: Electricity Services

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	4	4	4	0	0
4 – 6	9	11	9	2	18
7 – 9	4	5	5	0	0
10 - 12	7	7	7	0	0
13 - 15	1	1	1	0	0
<b>Total</b>	<b>25</b>	<b>28</b>	<b>26</b>	<b>2</b>	<b>7</b>

Employees and Posts numbers are as at 30 June.

Tabel 76: Employees: Electricity Services

### Capital Expenditure: Electricity Services

The table below indicates that an amount of **R2,732 million** was spent on capital projects relating to Electricity Services.

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Electricity connections to 80 houses in Klawer	1 000	1 000	1 000	0	1 000

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
Upgrading of bulk electricity and master plans of Vredendal	1 500	1 500	1 500	0	1 500
Floodlights at sports grounds in Lutzville	200	200	175	(25)	175
Replacement of bulk meters	0	300	0	(300)	0
Replacement of bulk meters	0	300	0	(300)	0
Transformers	0	0	57	57	57
<b>Total</b>	<b>2 700</b>	<b>3 300</b>	<b>2 732</b>	<b>(568)</b>	<b>2 732</b>

Tabel 77: Capital Expenditure: Electricity Services

### 3.6.5 Waste Management (Refuse Collections, Waste Disposal, Street Cleaning and Recycling)

#### Introduction

To minimise the financial burden on residents, the implementation of the Waste Management Plan was postponed and we utilised the EPWP program and TEDCOR as alternatives for waste minimisation. Through the EPWP programme and TEDCOR, 90 job opportunities were created for the cleansing of streets and public spaces. This alternative is funded externally and a saving of ±R2,5 million was realised for the Municipality.

Discussions will be continued with the applicable role-players to build a recycle plant in 2016 /2017 as it will be too expensive to transfer all our waste that can be recycled to Cape Town where the industries are located.

#### Highlights: Waste Management

The table below specifies the highlights for the year:

Highlights	Description
New compactor	A new compactor was bought to improve our service
Credible waste calculations	The TEDCOR team helps with the work and the calculations at landfill sites

Tabel 78: Highlights: Waste Management

#### Challenges: Waste Management

Description	Actions to address
Old machinery	Secure funding to replace old machinery

Tabel 79: Challenges: Waste Management

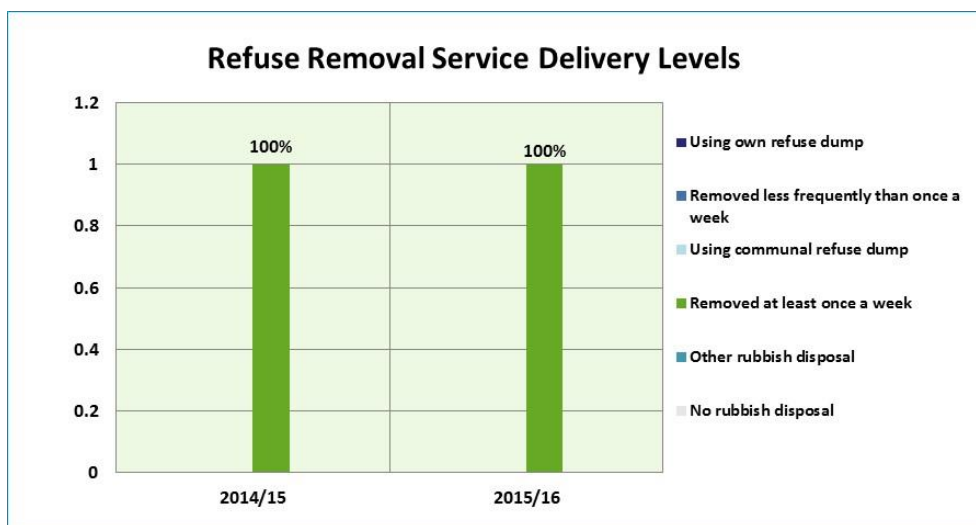
## Waste Management Service Delivery Levels

The table below specifies the different Waste Management (refuse removal) service delivery levels per households for the financial years 2014/15 and 2015/16:

Number of Households		
Description	2014/15	2015/16
<b><i>Solid Waste Removal: (Minimum level)</i></b>		
Removed at least once a week	10 282	11 492
<b><i>Minimum Service Level and Above sub-total</i></b>	<b><i>10 282</i></b>	<b><i>11 492</i></b>
<b><i>Minimum Service Level and Above percentage</i></b>	<b><i>100</i></b>	<b><i>100</i></b>
<b><i>Solid Waste Removal: (Below minimum level)</i></b>		
Removed less frequently than once a week	0	0
Using communal refuse dump	0	0
Using own refuse dump	0	0
Other rubbish disposal	0	0
No rubbish disposal	0	0
<b><i>Below Minimum Service Level sub-total</i></b>	<b><i>0</i></b>	<b><i>0</i></b>
<b><i>Below Minimum Service Level percentage</i></b>	<b><i>0</i></b>	<b><i>0</i></b>
<b>Total number of households</b>	<b>10 282</b>	<b>11 492</b>

Tabel 80: Waste Management (Refuse removal) service delivery levels

The graph below illustrates the different water service delivery levels per total households:



Graph 5.: Waste Management (Refuse removal) Services service delivery levels

## Employees: Waste Management

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	22	23	22	1	4
4 – 6	1	1	1	0	0

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
7 – 9	0	4	3	1	25
10 - 12	0	1	0	1	100
13 - 15	0	0	0	0	0
<b>Total</b>	<b>23</b>	<b>29</b>	<b>26</b>	<b>3</b>	<b>10</b>
Employees and Posts numbers are as at 30 June.					

**Tabel 81: Employees: Waste Management**

### Capital Expenditure: Waste Management

The table below indicates that an amount of **R2,401 million** was spent on capital projects relating to Waste Management Services.

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Refuse compactor	1800	1850	1850	50	1850
Fencing of Lutzville landfill site	0	190	180	180	180
Sewerage pumps for towns	50	42	336	286	336
Hole for landfill site in Vanrhynsdorp	50	50	35	(15)	35
<b>Total</b>	<b>1 900</b>	<b>2 132</b>	<b>2 401</b>	<b>501</b>	<b>2 401</b>

**Tabel 82: Capital Expenditure: Waste Management**

## 3.6.6 Housing

### Introduction

The Municipality has embarked on a program to create the necessary infrastructure to sustain future housing projects. Our objective is to eradicate informal settlements and to provide every household with a basic service which will include a toilet, electricity and water. In Klawer 80 sites were serviced during the financial year under review for future housing development and 50 in Vredendal. The development was done in accordance with the Upgrading Informal Settlement Program (UISP) and Informal Residential Development Program (IRDP) of the Department of Human Settlements.

### Highlights: Housing

The table below specifies the highlights for the year:

Highlights	Description
GAP Housing	The Council approved sites for GAP housing. The administration process has commenced to determine how many people do qualify for this project.
Transfer of houses in Vredendal-North	A total of 55 title deeds were completed and are ready to be handed over to the owners of the houses.

**Tabel 83: Highlights: Housing**

**Challenges: Housing**

The challenges that are experienced are as follow:

Description	Actions to address
To provide a house for everyone	To submit funding applications to the Department of Human Settlements.
Protests in Klawer	To establish a committee in every town to assist the housing officials.
Building of illegal shacks	Work with Law Enforcement to support us to monitor informal areas.

**Tabel 84: Challenges: Housing**

**Housing: Service Statistics**

The table below indicates that **93%** of the households in the municipal area are living in formal settlements:

Percentage of households with access to basic housing			
Financial year	Total households (including in formal and informal settlements)	Households in formal settlements	Percentage of HHs in formal settlements
2014/15	11 012	9 698	88
2015/16	11 492	10 645	93

**Tabel 85: Access to housing**

**Housing Waiting List**

The following table indicates the decrease in the number of housing units on the waiting list from 2014/15 to 2015/16:

Financial year	N0 of housing units on waiting list	% Housing waiting list increase/(decrease)
2014/15	9 252	(0.90)
2015/16	8 983	(2.91)

**Tabel 86: Housing waiting list**

**Houses Built and Sites Serviced**

An amount of **R9 million** was received in 2015/16 to develop serviced sites for future housing development:

Financial year	Allocation	Amount spent	% spent	Number of houses built	Number of sites serviced
	R'000				
2014/15	19 000	15 458	81	0	283
2015/16	9 000	9 000	100	0	130

**Tabel 87: Houses built and sites serviced**

**Employees: Housing**

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 - 6	0	0	0	0	0
7 - 9	2	2	2	0	0
10 - 12	0	0	0	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June.*

**Tabel 88: Employees: Housing**

**3.6.7 Free Basic Services and Indigent Support**

The table indicates the percentage of indigent households that have access to free basic municipal services. In accordance with the approved indigent policy of the municipality, all households earning less than **R4 500** per month will receive free basic services as per the municipality's indigent policy. The table, furthermore, indicates the total number of indigent households and other households that received free basic services in the past two financial years:

Year	Number of households								
	Total	Households earning less than R4 500 per month							
		Free Basic Water		Free Basic Sanitation		Free Basic Electricity		Free Basic Refuse	
		Access	%	Access	%	Access	%	Access	%
2014/15	11 826	2 281	20.0	2 093	20.0	2 281	20.0	2 281	20.0
2015/16	12 095	2 827	23.0	2 637	23.0	2 827	23.0	2 815	23.0

**Tabel 89: Free basic services to low income households**

The access to free basic services is summarised into the different services as specified in the following table:

Electricity									
Financial year	Indigent Households			Non-indigent households			Households in Eskom areas		
	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value	No of HH	Unit per HH (kwh)	Value
			R'000			R'000			R'000
2014/15	2 281	50	996	7 258	0	0	2 287	0	0
2015/16	2 827	50	996	7 258	0	0	2 287	0	0

**Tabel 90: Free basic electricity**



Water						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Unit per HH (kl)	Value	No of HH	Unit per HH (kl)	Value
			R'000			R'000
2014/15	2 281	12	1 676	6 897	6	2 532
2015/16	2 827	10	1 835	6 398	6	2 492

Tabel 91: Free basic water

Sanitation						
Financial year	Indigent Households			Non-indigent households		
	No of HH	R value per HH	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2014/15	2 093	136.15	3 419	5 877	0	0
2015/16	2 637	144.32	4 577	5 492	0	0

Tabel 92: Free basic sanitation

Refuse Removal						
Financial year	Indigent Households			Non-indigent households		
	No of HH	Service per HH per week	Value	No of HH	Unit per HH per month	Value
			R'000			R'000
2014/15	2 281	1	2 934	7 412	0	0
2015/16	2 815	1	3 855	6 967	0	0

Tabel 93: Free basic refuse removal

## 3.7 COMPONENT B: ROAD TRANSPORT

### 3.7.1 Roads and Stormwater

#### Introduction

The average condition of the road network within the municipal can be rated as fair to poor. To restore the existing condition of the roads, the Municipality will have to budget extensively over the next few years. Routine maintenance, for example patching of potholes, replacement of curbs and cleaning of storm water networks, is done by the maintenance team of the municipality. Gravel roads are graded on a monthly basis to ensure that they are in a fairly good condition.

The priorities for the municipality are to maintain existing tarred roads by means of re-sealing and to construct new paved roads (upgrading of existing gravel roads) that include storm water systems. A technical report for the upgrading of gravel roads and stormwater systems was completed to give the municipality an overall perspective of the cost to upgrade all the gravel roads to paved roads with stormwater systems. This document will be used to apply for Municipal Infrastructure Grant (MIG) funds and to explore for other sources of funding.

Stormwater Master Plans needs to be developed for all the towns within the municipal area as informal settlements were allocated to areas where there is stormwater drainage.

### Highlights: Roads and Stormwater

The table below specifies the highlights for the year:

Highlights	Description
Upgrading of Alpha Street	Alpha Street in Klawer was resealed with sidewalks.
New paved streets in Ebenhaeser	The project was funded by the Department of Rural Development and Land Reform.
Regular maintenance of stormwater systems	The stormwater systems were regularly inspected and cleaned to prevent blockages.

Tabel 94: Highlights: Roads and Stormwater

### Challenges: Roads and Stormwater

The challenges that are experienced are as follow:

Description	Actions to address
Limited funding to reseal existing roads	Other sources of funding will have to be explored.
Development of a Stormwater Master Plan	Additional funding will have to be sourced in order to develop a Stormwater Master Plan

Tabel 95: Challenges: Roads and Stormwater

### Roads and Stormwater Statistics

The tables below specifies that there are **26.3 kilometers** of gravel roads and **118 kilometers** of tarred roads in the municipal area:

Gravel Road Infrastructure: Kilometers				
Year	Total gravel roads	New gravel roads constructed	Gravel roads upgraded to tar (paving)	Gravel roads graded/maintained
2014/15	26.3	0	0	26.3
2015/16	26.3	0	0	26.3

Tabel 96: Gravel road infrastructure

Tarred Road Infrastructure: Kilometers					
Year	Total tarred roads	New tar roads	Existing tar roads re-tarred	Existing tar roads re-sheeted	Tar roads maintained
2014/15	118	0	1	0	36
2015/16	118	0	1	1	42

Tabel 97: Tarred road infrastructure

The table below specifies the costs involved for the maintenance and construction of roads within the municipal area:

Financial year	New & Replacements	Resealed	Maintained
	R'000		
2014/15	7 000		10 544
2015/16	9 274		1 605
* All these costs are allocated to one vote fund on our financial system			

Tabel 98: Cost of construction/maintenance of roads

The tables below specifies that there are **25 kilometers** of stormwater channels in the municipal area:

Stormwater Infrastructure: Kilometers				
Year	Total Stormwater measures	New Stormwater measures	Stormwater measures upgraded	Stormwater measures maintained
2014/15	25	0	1	25
2014/15	25	0	0	25

**Tabel 99: Stormwater infrastructure**

### Employees: Roads and Stormwater

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	42	52	51	1	2
4 – 6	8	6	6	0	0
7 – 9	6	2	2	0	0
10 – 12	8	5	5	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>64</b>	<b>65</b>	<b>64</b>	<b>1</b>	<b>2</b>

*Employees and Posts numbers are as at 30 June.*

**Tabel 100: Employees: Roads and Stormwater**

### Capital Expenditure: Roads and Stormwater

The table below indicates that an amount of **R8,456 million** was spent on capital projects relating to Roads and Stormwater:

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Upgrading Alpha Street Klawer	7 700	6 840	6 840	(860)	6 840
Construction of pavements Lutzville	829	829	829	0	829
Install storm water drains Parkway Lutzville	700	700	683	(17)	683
Mixer	20	20	22	2	22
Tools (drills, grinder, etc)	20	20	19	(1)	19
Construction of taxi rank Manguang	80	60	63	(17)	63
Pave Hibiscus Street – Lutzville	390	0	0	(390)	0
<b>Total</b>	<b>9 739</b>	<b>8 469</b>	<b>8 456</b>	<b>(1 283)</b>	<b>8 456</b>

**Tabel 101: Capital Expenditure: Roads and Stormwater**

### 3.8 COMPONENT C: PLANNING AND LOCAL ECONOMIC DEVELOPMENT

The planning and building control function of the Municipality include the effective and efficient processing of land use- and building applications according to the requirements and obligations of applicable legislation, as well as enforcements regarding unauthorized development and building work. It also includes the effective implementation of the Spatial Development Framework (SDF) and other planning studies to ensure that development in the municipal area are according to statutory regulations and policy guidelines for an orderly, harmonious and sustainable environment.

#### 3.8.1 Planning and Building Control

This division must provide an efficient and effective service to the public by developing policies and standard operating procedures, appoint qualified staff with the relevant knowledge and implement the planning law reform in the municipal area.

##### *Achievements for the 2015/16 financial year include the following:*

- ≈ The Spatial Land Use Management Act, 2013 (16 of 2013) (SPLUMA), the Western Cape Land Use Planning Act, 2014 (3 of 2014) (LUPA) and the Matzikama Municipality: Land Use Planning By-Law were came into effect on 1 December 2015 in the municipal area.
- ≈ The Planning Tribunal of the Municipality was established on 15 April 2016.
- ≈ Comments on the proposed standard draft Zoning Scheme By-Law were provided to the Western Cape Department of Environmental Affairs and Development Planning.
- ≈ The Olifants River Estuary Management Plan is currently being revised and updated by Cape Nature. This plan can only be included as a sector plan within the SDF and the IDP of the municipality after it is approved by Council. A municipal approved management plan will enable the relevant role-players to apply for funding to improve and maintain the Olifants River Estuary.
- ≈ The Liquor Trading By-Law was revised, approved by Council and promulgated on 3 June 2016.
- ≈ Significant progress has been made to transfer the applicable land surrounding the Olifants River Estuary to the registered owner to enable the establishment of an Olifants River Estuary Conservation Area.
- ≈ One of the Municipality's town planners is already registered as a Professional Planner with SACPLAN and SAPI and the remaining one is in the process of being registered as a Technical Planner with SACPLAN.
- ≈ Service delivery priorities were to improve communication with the public, the prompt handling of enquiries and the implementation of the SPLUMA, LUPA and the Planning By-Law.
- ≈ The implementation of SPLUMA, LUPA and the Planning By-Law within the municipal area are very challenging and therefore a variety of standard operating procedures are being developed to ensure the effective processing of land use applications.
- ≈ The GIS data base is continuously updated with new information once available. It's made available to enable the municipality to provide meaningful comments on applications and to make informed decisions.
- ≈ Most of the Department's officials moved their offices closer to enhance teamwork and service delivery.

##### *Planning and Building Control Service Delivery Statistics*

The table below specifies that **40** land-use and **240** building applications were handled during 2015/16.

Detail	Formalisation of Townships		Land use Applications		Built Environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Applications received in relevant year	2	1	53	25	155	186

Detail	Formalisation of Townships		Land use Applications		Built Environment	
	2014/15	2015/16	2014/15	2015/16	2014/15	2015/16
Applications of the previous year not yet determined	0	0	40	15	76	54
<b>Total</b>	<b>2</b>	<b>1</b>	<b>93</b>	<b>40</b>	<b>231</b>	<b>240</b>
Determinations made	2	1	40	24	107	*128
Applications withdrawn	0	0	5	1	41	51
Applications still incomplete at year end	0	0	25	10	61	71
Complete applications outstanding at year end	0	0	23	5	22	17
<b>Total</b>	<b>0</b>	<b>1</b>	<b>93</b>	<b>40</b>	<b>231</b>	<b>240</b>
*128 include 101 determined within 2015/16 financial year plus 27 which were submitted in the previous year/s						

**Tabel 102:** Planning and Building Control service delivery statistics

### Employees: Planning and Building Control

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	2	3	3	0	0
10 - 12	3	3	3	0	0
13 - 15	1	1	1	0	0
<b>Total</b>	<b>6</b>	<b>7</b>	<b>7</b>	<b>0</b>	<b>0</b>
Employees and Posts numbers are as at 30 June.					

**Tabel 103:** Employees: Planning and Building Control

### 3.8.2 Local Economic Development (LED)

Local Economic Development is a high priority for the Municipality. The main focus is on industrial development, spearheaded by the needs to grow the economy, diversify the economy, create decent employment and reduce poverty. The Municipality created a sound network of role-players, including key role-players in the National Government, Provincial Government, the private sector and community-based organisations, to support the economic development vision of the Municipality.

#### Highlights: LED

The table below specifies the highlights for the year:

Highlights	Description
LED workshop was held with local SMME's, Business Chambers, Government Departments, NGO's and other role players in the municipal area to compile a Reference Framework for the establishment of a LED Forum.	The outputs were to establish a vibrant LED Forum and an advisory body to advise Council on LED performances and challenges.
Establishment of a training facility to provide skills to the local youth to qualify as artisans.	Funding was made available from the Mining Qualification Authority (MQA) SETA and the National Skills Fund (NSF) to establish a training facility for a project whereby 250 youths were appointed to

Highlights	Description
	participate for a period of three years. They will be trained to enable them to qualify for artisans in electrical engineering, electrical construction, welding and diesel mechanics. Local mining companies committed to provide their sustained support by making available their resources on the mining sites to the participants for practical training.
The Department Rural Development and Land Reform has launched an Agri-Park Programme.	This is a network innovation system located in a district municipality for agro-production, processing, logistics, marketing, training and extension services. This network enables a market-driven combination and integration of various agricultural activities and rural transformation services in the West Coast Region. Part of an Agri-Park is an Agri-Hub which is a local government based service point that will be established in the municipal area. The Agri-Hub will provide services to different Farmer Production Support Units located in the West Coast area. In the Matzikama area, the Livestock Farming located in Bitterfontein, Aquaculture Farming located in Doringbaai and Irrigation farming located in will receive services from the Agri-Hub.
A hatchery was established at the abalone farm in Doringbaai to produce spat.	Due to this establishment, sufficient spat will be produced that supplements production, meet their needs and grow the business. The strongest and best-suited animals were selected to ensure that a final product of good quality is produced.
Environmental Impact Assessment (EIA) for the application to extend the abalone farming zone in the municipal area along the coast, was conducted on all the sites that are designated for this development. A process was started with the National Department of Public Works to transfer land to the Municipality.	With the help of TRONOX, funding was made available to conduct an EIA which is needed for the application process for the establishment of another four 300 ton abalone farms along the coast. The four farms will grow the abalone industry in the municipal area to grow the local economy that will create jobs and alleviate poverty. The EIA is currently in the final stage. Processes were started with the National Department of Public Works to transfer the acquired land for the development of the additional abalone farms along the coastline.

Tabel 104: Highlights: LED

### Challenges: LED

The challenges experienced are as follow:

Description	Actions to address
Establishment of a Small Business Hub to render support services to prospective entrepreneurs from the local community.	<ul style="list-style-type: none"> <li>◆ Raise funds from the private sector and government to finance the initiative.</li> <li>◆ Establish a Matzikama Business Development Forum to manage the organisation from a strategic point of view.</li> </ul>
Development of SMME's by providing an interest free loan to SMME's.	<ul style="list-style-type: none"> <li>◆ Raise funds from the private sector to contribute to the fund.</li> <li>◆ Appoint a fund manager in the office of the Matzikama Development Trust to manage the funds.</li> <li>◆ Encourage the public through awareness programmes to make use of the fund.</li> </ul>
Exotic mushroom farms: These are production units, owned by cooperatives comprising people from the local community, making use of modified shipping containers to grow exotic mushrooms.	<ul style="list-style-type: none"> <li>◆ Do awareness amongst the community to generate interest.</li> <li>◆ Raise funds from the private sector and government institutions</li> </ul>
Establishment of the Agri-Hub in the Matzikama area on land which will be made available in Vredendal by the municipality.	<ul style="list-style-type: none"> <li>◆ Council must approve the availability of land for the establishment of the Agri-Hub in Vredendal-North.</li> <li>◆ Request Department of Rural Development and Land Reform (DRDLR) to finalize the appointment of a Project Manager.</li> <li>◆ Request to the DRDLR to expedite the funding for the project.</li> </ul>
Expanding the abalone sector to accommodate an additional 4 abalone farms.	<ul style="list-style-type: none"> <li>◆ Encourage the DRDLR to fund the expansion of the Doringbaai abalone farm.</li> <li>◆ Finalise the EIA for the additional 4 farms with a capacity of 1000 tons of abalone.</li> <li>◆ Finalise the design and costing for the installation of basic infrastructure.</li> </ul>

Description	Actions to address
	<ul style="list-style-type: none"> <li>◆ Conduct an investor summit with the intent to sign a MOU with potential investors.</li> <li>◆ Establish a project management committee to oversee the management of the basic infrastructure.</li> </ul>
Produce gherkins from unmarketable cucumbers.	<ul style="list-style-type: none"> <li>◆ Develop a sound business plan with the intent to raise funds for the project.</li> <li>◆ Raise the funds for the establishment of the business from the private sector and government institutions.</li> <li>◆ Identify a suitable technical partner to partner with a group of women to own and run the business.</li> </ul>

Tabel 105: Challenges: LED

### LED Strategy

The focus of the 2012/2017 IDP is “Economic Development: A prerequisite for successful service delivery”. The Local Economic Development (LED) strategy has been reviewed. The LED forum of Matzikama Municipality comprises of a diverse membership emanating from various sectors of society. The current LED strategy is built around commitment to develop a climate in which economic development and economic growth can prosper.

#### The LED strategy identifies various issues and strategic areas for intervention including but not limited to:

- ≈ Financial support from Provincial and National Government.
- ≈ The lack of skills and training facilities in our communities which are contributing largely to our poor developed economies, particularly in terms of Black Economic Empowerment (BEE).
- ≈ The lack of project development aid for the local communities that have a negative impact on BEE and makes it increasingly difficult for BEE to meaningful impact on the local economy.
- ≈ Community ownership of local projects.
- ≈ Aquaculture development, both marine and freshwater, can have a meaningful impact on the local economy, especially in the coastal towns
- ≈ SMME development has potential to contribute significantly to the socio-economic challenges of the Municipality.

Accessing Government land is a major obstacle and needs earnest attention should we want to attract investment to the area for local economic development.

Although Economic development is a function of established bodies such as Emerging Farmers, Women in Construction, Fishing and Aquaculture, Commercial Farmers, etc., the concern is that despite the fact that these bodies exist, they do not function effectively due to the lack of leadership, expertise, funding, etc.

#### The progress made with regard to the implementation of the LED strategy can be summarised as follows:

- ≈ Five key development areas including primary and secondary aquaculture sector development, primary and secondary agriculture development, recycling of waste plastics and manufacturing of plastic products and tourism were identified as focused areas in terms of LED.
- ≈ The aquaculture sector development was identified as the area with the most potential and as an area of priority due the impact it potentially has.
- ≈ The municipality facilitated a process that culminated in the establishment of a partnership between the private sector and the Doringbaai Development Trust (DDT) to establish the first community owned abalone farm. This laid the foundation for the rolling-out of the further development of this sector.

- ≈ At least two other primary and secondary agriculture products have been identified and will soon form part of the development process.

**Further LED priorities include:**

- ≈ To speed up the development processes that will lead to the establishment of 4 abalone farms. Provincial and National Government and the private sector will be engaged to support this development.
- ≈ To market the area as the prime location for aquaculture development. The Department of Economic Development and Tourism will be approached to support with the development of plans that will include realistic and implementable marketing strategies.
- ≈ To compile a business plan for producing of gherkins from waste cucumbers. The West Coast District Municipality will be approached to make funds available for the development of the required business plan.

**LED Statistics**

The table below provides the detail of the various LED initiatives in the municipal area:

Description of project	No of Jobs created	Total Investment (R)	Spent to date (%)	Performance Highlights
Mining Qualifications Authority (Sector Education and Training Authority)	130	45 000 000	Do not have access to spending patterns	±130 youths from local communities were appointed to be trained as artisans in the welding and diesel mechanic's field.
Abalone hatchery	6	6 400 000	100%	A Hatchery Manager, Assistant Manager and 4 additional employees were appointed from the local community.

**Tabel 106: LED Initiatives**

The table below provides the detail of the job opportunities created through the Extended Public Works Programme (EPWP):

Details	Number of Projects	Number of Job opportunities created
	No.	No.
2014/15	18	348
2015/16	16	90

**Tabel 107: Job creation through EPWP projects**

A local economic development maturity survey that was conducted by the Provincial Government in partnership with CENLED and is a good indicator with respect to the overall performance of the municipality in terms of LED. The 2014/15 survey indicated that the municipality ranked amongst the top 4 municipalities in the Western Cape. The 2015/16 performance pointed out that the municipality maintained the position amongst the top 4 municipalities in the Western Cape. The survey shows an improvement in all areas excluding monitoring and evaluation. According to the survey, the municipality is not measuring its LED performance and communicating it to its stakeholders.

The municipality is in the process of making a major breakthrough that will see the Municipality as a world leader in terms of local economic development with the development of the aquaculture sector and the successes thus far achieved.



**Employees: LED**

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 - 12	1	2	2	0	0
13 - 15	4	1	0	1	100
<b>Total</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>33</b>

*Employees and Posts numbers are as at 30 June.*

**Tabel 108: Employees: LED**

**3.8.3 Tourism****Introduction**

Tourism in the municipal area is linked to direct job opportunities and therefore economic growth. Through protecting our natural resources, encouraging skills development and tourism awareness in our communities as well as growing new markets for potential investors the Municipality strives towards economic wealth and the reduction of poverty in our region.

A Tourism Strategy is in place which needs to be revised in the near future to be in line with the South African Tourism Planning Toolkit for Local Government as prescribed by the Department of Economic Development and Tourism.

**Highlights: Tourism**

The table below specifies the highlight for the year:

Highlight	Description
Private investors are interested in investing in the municipal area	In spite of the difficult economic situation, private investors opened new lodges like the Letatsi Lodge in Vanrhynsdorp, the Mall in Vredendal and the Cafe in Strandfontein created new job opportunities and an influx of tourists from surrounding towns in the Cederberg area.

**Tabel 109: Highlights: Tourism**

**Challenges: Tourism**

The challenges experienced are as follow:

Description	Actions to address challenges
Funding to train and support upcoming entrepreneurs in various projects	A meeting has been arranged with the Papendorp Development Trust as well as the Ebenhaezer CPA where discussions has started on a turnaround strategy for the management of the Papendorp Guest House and Resort.
Papendorp Guest House	We have approached the SRI Programme driven by the National Department of Tourism for funding in the upgrading and expansion of the Papendorp Guest House.

Description	Actions to address challenges
Griequa Ratelgat Farm	Through the West Coast Tourism Organisation Funding was requested from the Marine and Coastal Tourism Component of Operation Phakisa with the submitting of the Giequa Ratelgat Farm Business Plan.
EPWP Coastcare Programme reduced to only six months of the year.	A letter of concern was written to DEAT with the hope that they will reconsider to run the project throughout the year A request was made to the EPWP champions of the West Coast district and the Municipality to employ people from their EPWP budget to fulfil the most needed functions like the cleaning of the picnic areas, beaches and hiking trails along the coast.
Alcohol usage on beaches that is not controlled. Although there is a By-Law in place, is it not enforced successfully.	The By-Law on Disturbances and Nuisances in the municipal area was approved by Council in 2015. The Traffic department in partnership with the Doringbaai police is currently training staff on how to enforce the By-Law and to monitor the situation successfully.
Illegal camping due to non-existing camping sites on the coastline of Matzikama.	In the case of Papendorp where most of the illegal camping south of the river mouth takes place it was agreed between the Olifants River Mouth Estuary Management Forum, Cape Nature and all different stakeholders that a protected area is declared which includes the river, marshes, dunes and estuary. The mentioned protected area would receive status as a contract Nature Reserve with a stewardship programme in joint partnership and agreement with Cape Nature. Hopefully with funding from the SRI Programme the Papendorp Resort can be expanded with a camping site. The Olifants River Estuary Management Plan is currently being revised and updated by Cape Nature. The last mentioned plan can only be included as a sector plan within the SDF and the IDP of the municipality after it is approved by Council. A municipal management plan will enable the relevant role-players to apply for funding to improve and maintain the Olifants River Estuary.
Tourism infrastructure in most towns are in a poor condition or non-existent, toilet facilities at the river mouth area (Papendorp), camping sites at Doringbaai and Papendorp (non-existent).	The Integrated Coastal Management Programme, in terms of the Integrated Coastal Management Act, was approved by the West Coast District Municipality, as well as the Council. Funding implementation is currently sought and discussions on service agreements between relevant departments/role-players is in process.
Entertainment Infrastructure to enhance visitor experience in especially the coastal towns is very poor or non-existent, like the tennis courts in Doringbaai, a Put Put facility in Strandfontein, etc.	Some of the challenges mentioned might be addressed through the Integrated Coastal Management Programme as mentioned above.
Beach facility upgrades- access to the beach area in Strandfontein is dangerous and access points needs to be created especially for elders and toddlers.	Will have to be addressed through the town planning department, attracting of private investors and through external funding like MIC.

Tabel 110: Challenges: Tourism

### 3.9 COMPONENT D: COMMUNITY AND SOCIAL SERVICES

In the municipal area with its high unemployment, the objective of social development is to improve the lives and livelihoods of the community.

We are in agreement that some of the social ills, especially those experienced by youth groups, are better addressed through social and recreational programs. The Thusong Centres and libraries play an important role in social development by the frequent launching of these programmes and with the provision of information to the community.

In order accomplish our objective as mentioned above, the Community Development Unit realised that it is critical to include a wide range of stakeholders who can contribute to our efforts in a sustainable manner.

Due to the multitude of the needs in the community and given our limited own resources funding from government organisations, external donors and role-players to address these needs in a sustainable manner are of the utmost importance.

Various stakeholders currently assist with soup kitchens, social development projects and life skills programmes.

### 3.9.1 Libraries

Libraries are an important and essential part of the community and social services rendered by the Municipality. They promote the economic and social upliftment of the communities within the municipal area by providing a wide range of information and recreational library materials free of charge to the communities. To provide this information and materials to the most rural parts in the municipal area, wheelie wagon "libraries" are provided in some of the settlements i.e. Stofkraal, Molsvlei and Kliprand.

Many school children and students, especially from those communities living in poverty, visits the libraries for information regarding their studies, assignments and other school work as the school libraries are not adequately equipped and/or do not exist anymore. Jobseekers can get information regarding job opportunities with free access to internet at 10 of the libraries and can even create and update their CV's on the computers at the libraries. The personnel at the libraries also present special programmes and exhibitions for library users and especially for children to promote reading habits, the correct usage of the indexes of encyclopaedias to find information and in-book education (the correct way to use a book while reading).

#### Highlights: Libraries

The table below specifies the highlights for the year:

Highlights	Description
Financial support for the library services from the Provincial Government Western Cape and relevant National Department.	Municipal Replacement Funds (MRF) of R3,900 million and a conditional grant of R1,760 million was received from the Western Cape Library Services and the relevant national department for personnel, operational- and capital expenses.
The installation of a book detective system in the Ebenhaeser Library.	A book detective systems was installed in Ebenhaeser Library to minimize the theft of library material.
The installation of new and safe book shelves in the Bitterfontein library and the purchase of new furniture, shelves and other equipment for several other.	All the book shelves in the Bitterfontein Library were old and dangerous for library users and it was replaced by new and safe book shelves. New furniture, shelves and other equipment were purchased for several other libraries.
The installation of an enhanced broad-band internet connections at nearly all libraries in the municipal area by the Western Cape Provincial Library Services as part of their ICT project to provide computers and internet connections at libraries for public access to internet information and to access the Provincial Information Management System (SLIMS/ Brocade).	Computers were already installed at the Vredendal-South, Vredendal-North, Vanrhynsdorp, Lutzville, Klawer, Tru-Tru (Vanrhynsdorp), Ultkyk (Lutzville), Ebenhaeser, Bitterfontein and Nuwerus Libraries for internet usage by the public and to obtain access to all library materials available in the Provincial Library Services. These installations were enhanced by the broad band internet connections that were installed in the year under review.
The partnership agreement between the Municipality and UNISA regarding the rendering of library services.	A mobile library of UNISA was parked monthly at the Vredendal South Library for UNISA students to obtain the necessary study books. The personnel of the library also assisted the students to use the UNISA library via internet.
The Municipality was privileged to be the host for the launch of the National Library Week of 2016 in the Western Cape and a very successful library week was hosted afterwards at all the libraries of the Municipality.	This event took place on Monday, 14 March 2016 at the Maskam Mall in Vredendal and Minister Anroux Marais, the MEC for Cultural Affairs and Sport in the Western Cape, officially opened the Library Week. The librarians and assistant librarians of the different libraries in the municipal area hosted special exhibitions and programmes during the Library Week to promote library services in the community.
A mini-library for the blind was installed at Vredendal Library by a joint initiative between the Western Cape Provincial Library Services and the South African Library for the Blind (SALB).	In May 2016 a mini-library for the blind was installed at the Vredendal Library by the Western Cape Provincial Library Services which includes computer hard- and software specially designed for visually impaired users, a text reader and access to online resources and materials including braille books supplied by the SALB. The library staff of Vredendal Library will also receive training in the use of the equipment and how to assist the visually impaired.

Highlights	Description
The delivering of library books to the elderly people staying in the old age home in Vredendal.	The library personnel of Vredendal-South Library visited the old age home in Vredendal monthly and deliver library books door-to-door to the elderly people.
A weekly book review-programme on the local radio station, Radio Namaqualand.	One of the senior librarians enhances the reading habit of the public by means of a weekly book review programme on the local radio station, Radio Namaqualand.
Successful Library Forum meetings of the Provincial Regional Library Office in then municipal area.	All library personnel attended the Library Forum meetings held in October 2015 and May 2016 to collectively discuss and implement more effective library services.
Conflict and Diversity Management training that some librarians and assistant librarians received.	Five librarians and assistant librarians of Vredendal, Lutzville, Klawer and Vanrhynsdorp Libraries attended a workshop on 26 and 27 August 2015 to receive training in Conflict and Diversity Management.

**Tabel 111: Highlights: Libraries**

### Challenges: Libraries

The challenges experienced are as follow:

Description	Actions to address
The replacement of the manual lending-out system of library materials at all remaining libraries with the SLIMS / Brocade computerised library system of the Western Cape Provincial Library Services. Only Vredendal-South, Eureka in Vredendal-North, Vanrhynsdorp and Lutzville libraries were computerised in this regard.	Facilitate the training and the replacement of the manual lending-out system with the SLIMS / Brocade computerised library system by the Western Cape Provincial Library Services at the remaining libraries.
Increasing public access to information at libraries with the utilisation of information technology at the remaining libraries. Vredendal-South, Eureka in Vredendal-North, Vanrhynsdorp, Lutzville, Klawer, Tru-Tru in Vanrhynsdorp, Uitkyk in Lutzville, Ebenhaeser, Bitterfontein and Nuwerus libraries have computers for access in this regard.	Facilitate the instalment of computer work stations with internet access by the Western Cape Provincial Library Services at the remaining libraries.
The decrease of the circulation numbers of library books due to the availability of internet access for information at 10 libraries.	To do more awareness of the free lending out of library books and to promote a reading culture among the community.

**Tabel 112: Challenges: Libraries**

### Libraries Service Statistics

The table specifies the statistics for Library Services for the year under review:

Type of service	2014/15	2015/16
Library members	4 908	5 644
Books circulated	210 499	196 596
Exhibitions held	104	105
Internet users	9 340	9 017
Children programmes	74	59
Visits by school groups	31	35
Book group meetings for adults	11	5
Primary and Secondary Book Education sessions	21	38
Book reviews and marketing	13	13

**Tabel 113: Libraries service statistics**

**Employees: Libraries**

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	3	3	3	0	0
7 – 9	10	9	9	0	0
10 - 12	4	5	5	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>17</b>	<b>17</b>	<b>17</b>	<b>0</b>	<b>0</b>

*Employees and Posts numbers are as at 30 June.*

**Tabel 114: Employees: Libraries**

**Capital Expenditure: Libraries**

The table below indicates that an amount of **R253 000** was spent on capital projects relating to Libraries.

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
<b>R'000</b>					
Book detective sytem	100	100	117	117	117
Bookshelves : Bitterfontein, Lutzville, Uitkyk, Doringbaai	100	100	98	(2)	98
Carpeting: Vredendal, Lutzville, Uitkyk	20	20	0	(20)	0
Tables and chairs: Matzikama	20	20	23	3	23
Couches: Vredendal	10	10	8	(2)	8
Booktrolleys: Uitkyk, Doringbaai	14	14	7	(7)	7
<b>Total</b>	<b>264</b>	<b>264</b>	<b>253</b>	<b>89</b>	<b>253</b>

**Tabel 115: Capital Expenditure: Libraries**

**3.9.2 Cemeteries**

Facilities are based in all towns within the boundaries of the municipality and maintain within the municipal area.

**Highlights: Cemeteries**

The table below specifies the highlight for the year:

Highlights	Description
The EPWP workers assist in the cleaning-up campaign in Vredendal, Lutzville and Vanrhynsdorp.	The grass was cut and some of the graves that have been damaged were repaired.

**Tabel 116: Highlights: Cemeteries**

**Challenges: Cemeteries**

The challenges experienced are as follow:

Description	Actions to address
Fencing around cemeteries.	Start engaging with funeral parlours to assist.
Toilets at cemeteries	Secure funding
Supervisors at cemeteries	Use EPWP worker on a temporary basis
Maintenance of cemeteries that are not in use anymore	Engage with community to assist

**Tabel 117: Challenges: Cemeteries**

**Cemeteries Service Statistics**

The table below indicates that 38 pauper burials were handled:

Type of service	2014/15	2015/16
Pauper burials	44	38

**Tabel 118: Cemeteries service statistics**

**3.9.3 Child Care; Aged Care and Social Programmes**

The municipality provide access to buildings for Child Care, Aged Care and other social programmes. These programs are mostly done on behalf on the municipality, by other stakeholders, due to financial constraints on behalf on the municipality.

**Highlights: Child Care; Aged Care and Social Programmes**

The table below specifies the highlights for the year:

Highlights	Description
Moemfie Playgroup	Assisted with the maintenance of the building and provided free access to kitchen facilities.
Sonskyn Speelkring	Assisted with the maintenance of the building and playground equipment.
Vredendal Bejaarde Klub	Assisted with the coaching for the Golden Games as well as with transport.

**Tabel 119: Highlights: Child Care; Aged Care and Social Programmes**

**Challenges: Child Care; Aged Care and Social Programmes**

The challenge experienced is as follows:

Description	Actions to address
Limited funding	Engage with the private sector for support and moving out of silo's to work together with NGO's and not duplicating.

**Tabel 120: Challenges: Child Care; Aged Care and Social Programmes**

Service Statistics for Child Care; Aged Care and Social Programmes

The table below specifies all the programmes that the Municipality supported during the year:

Description	2014/15	2015/16
Veggie gardens established	Community gardens: Dorkas, Vredendal North and Vergenoeg gardens	Community gardens together with BADISA in Nuwerus and Bitterfontein
Soup kitchens established or supported	7 soup kitchens which are housed in municipal buildings	6 soup kitchens which are housed in municipal buildings
Initiatives to increase awareness on child abuse	Awareness on woman and child abuse, child trafficking and child labour together with the CDW Programme	Awareness on woman and child abuse, child trafficking and child labour together with the CDW Programme
Initiatives to increase awareness on women	Supporting the Department of Health with the Breast Cancer Awareness Program, health month and TB/HIV/AIDS awareness	Supporting the Department of Health with the Breast Cancer Awareness Program, health month and TB/HIV/AIDS awareness
Women empowered	National Substance Abuse Day on woman's issues and the influence on family life with alcohol and drugs as substance	National Substance Abuse Day on woman's issues and the influence on family life with alcohol and drugs as substance
Initiatives to increase awareness on HIV/AIDS	World Aids Day and HIV/AIDS program in co-operation with a NGO who are specialising in HIV/Aids programs and awareness	World Aids Day and HIV/AIDS program in co-operation with a NGO who are specialising in HIV/Aids programs and awareness
Initiatives to increase awareness on Early Childhood Development	Supported with the programs of the Early Childhood Development Centre at the Thusong Centre's and accommodated 2 pre-schools at the beehives	Supported with the programs of the Early Childhood Development Centre at the Thusong Centre's and accommodated 1 pre-school at the beehives and 1 at the Masibambane Centre in Vanrhynsdorp
Initiatives to increase awareness on substance abuse and high drug and alcohol related crimes	Awareness sessions on alcohol and drug abuse during the holiday programs	Awareness sessions on alcohol and drug abuse during the holiday programs
Special events hosted (World's Aids Day, World Arbour day, World Disability Day, Youth Day, 16 Days of activism against women abuse)	Clean-up the Environment Program on Madiba day: Distributed soup, clothes and sandwiches in the informal settlement amongst less fortunate people 16 June 2015 program on Youth Day in co-operation with the Youth Council	Clean-up the Environment Program on Madiba day: Distributed soup and clothes in the informal settlement as well as a shelter (Onse Khaia ) amongst less fortunate people. 16 June 2016 program on Youth Day in co-operation with Department of cultural affairs and Sport

Tabel 121: Service statistics for Child Care; Aged Care and Social Programmes

### 3.10 COMPONENT E: ENVIRONMENTAL PROTECTION

#### Pollution Control

The air pollution control function in our area are executed in terms of a Service Level Agreement with the West Coast District Municipality (WCDM). The main function is to regulate the listed activities licenced in terms of the National Environmental Management: Air Quality Act, 2004 (Act 39 of 2004). These activities include major industries such as steel manufacturing, cement manufacturing, handling and export of iron ore in bulk, fishmeal production, galvanizing, crude oil storage, clay brick manufacturing, lime processes, waste incineration, etc. Two of these activities namely, clay brick manufacturing and lime processes, are located in the Municipal Area. The air quality levels on pollution in our area is within the legislative requirements.

### *Communication with industry*

A communication platform with industry, the West Coast Air Quality Working Group chaired by WCDM has been established. The Municipality attends the quarterly meetings and report on the listed activities in a specific agreed upon format. The minutes of these meetings are distributed to all attendees that include the Provincial Government and all the local municipalities in the West Coast District.

### *Air Quality Management Plan*

According to the abovementioned Act, municipalities must compile Air Quality Management Plans that set out what will be done to achieve the prescribed air quality standards. Our plan forms part of the Municipality's IDP. The WCDM appointed external expertise to draft the plans and by-laws for all the municipalities within the West Coast District.

## **3.11 COMPONENT F: SECURITY AND SAFETY**

Our objective is to limit crime in the municipal area in collaboration with other Government institutions and implement security measures within the available budget.

We are experiencing theft, damage and vandalism at our municipal properties, which happens especially over weekends and at night. A further challenge is the number of homeless people in the Vredendal CBD. These challenges are as a result of the high rate of unemployed in the area that increases the level of crime in the municipal area.

### **3.11.1 Traffic Services and Law Enforcement**

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The Traffic and Law Enforcement division comprises of 14 officers which is divided into three districts. In the Central District, Vredendal and Vredendal North we have a driver's license testing and roadworthy facility. 1 Superintendent, 2 Senior Traffic Officers for the testing of vehicles and driver's licenses and 3 Traffic Officers for traffic safety and law enforcement are working in this district. In the Western District, Lutzville, Koekenaap and Doringbaai, are 1 Superintendent and 3 Traffic Officers for traffic safety and law enforcement and in the Eastern District, Vanrhynsdorp to Klawer and North to Bitterfontein, including the old district municipal area, are 1 Superintendent and 3 Traffic Officers.

We render the following services within the municipal area:

- ≈ Enforcement of By-Laws;
- ≈ Roads Safety training at schools;
- ≈ Roadworthy of motor vehicles;
- ≈ Testing of learner and drivers licenses;
- ≈ Escort duties;
- ≈ Traffic Safety enforcement;
- ≈ Accident control;
- ≈ Safety education at businesses;
- ≈ Issuing of warrants of arrest; and
- ≈ Deployment in times of disasters and major incidents.

We have four vehicle registration and licensing offices in Vredendal, Vanrhynsdorp, Lutzville and Klawer. This division comprises of 1 Senior Officer and 4 Cashiers of which 2 posts are currently vacant. They are responsible for the following services:

- ≈ Motor vehicle registration and all related functions;



- ≈ Application and issuing of learner and drivers licenses;
- ≈ Eye testing; and
- ≈ Learner's classes.

The office for summons administration and fines is situated in Vredendal with 1 Administration Clerk who is responsible for amongst other the following:

- ≈ Capturing of summonses on the MVS system for provincial and local traffic offenses;
- ≈ Managing and capturing of warrant of arrest on the provincial eNATIS system;
- ≈ Managing the financial administration of fines that are paid;
- ≈ Liaisons with the Public Prosecutor;
- ≈ Managing the case representations; and
- ≈ Attending the cash-flow meetings with the National Prosecuting Authority.

### Highlights: Traffic Services and Law Enforcement

The table below specifies the highlights for the year:

Highlights	Description
Service Delivery with regard to Motor Registration & Licensing	Permanent appointment of two general workers in Community Services as Registration Cashiers in the Motor Registration division.
Social Empowerment	The training for learner's licenses and driving training in conjunction with Coke Cola is still ongoing and we also had various pedestrian safety training sessions within the communities.
Scholar Safety	The issuing of reflective bands and reflecting rug sacks has been expanded to another three schools situated on major routes. Continuous pedestrian safety and scholar patrols are monitored by Road Safety Management in conjunction with three of our local officers who are project champions within the three districts.
Training and development	One of our officers completed his National Diploma in Road Traffic and Municipal Police Management at the Tshwane University of Technology and is currently in the final stages of his B-Tech degree.
Management	The new organogram for Traffic Services make provision for a separate management representative which is a challenge currently.
Law Enforcement	The new organogram for Traffic Services make provision for a Law Enforcement division which is a challenge currently.
Public transport	During the year there was unrest within the local Taxi organisation (OTV) with regards to the transportation of Industrial workers to and from Brand-se-baai. It escalated to the extent that roads were blocked and illegal marches were organised. The Traffic Department facilitated the process and assisted with the applications for new operating licenses permits (OLB) to ensure that the transportation of workers meet the legal requirements.

**Tabel 122: Highlights: Traffic Services and Law Enforcement**

### Challenges: Traffic Services and Law Enforcement

The challenges that are experienced are as follow:

Description	Actions to address
Staff and working hours	The current operational staff is 8 – Traffic & Law Enforcement; 3 – Testing Officers & 3 – Superintendents. The working hours are from 08h00 to 17h00 with only 3 Officers and 1 Superintendent on standby which is not sufficient. The Staff establishment must be revised to cater for additional staff needed.

Description	Actions to address
Transport to access to certain areas	Budget for a vehicle capable of travelling in 4x4.
Attendance of meetings to access information	Superintendents to attend RTMCC meetings and Senior Registration to attend WCeNUG meetings.
Pound facilities for animals and vehicles	Budget for registered and adequate pound facilities.
Office space	Expand the current office space to make it more user friendly.
Information desk	Incorporate an information desk in the current staff establishment.
Total number of vehicles tested	Expand the current one vehicle testing line to two lanes.
Driving license testing centre	Expand the driving license testing centres to Lutzville and Vanrhynsdorp and a learner's testing centre to Bitterfontein.
Training for staff	Refreshers course in different categories must be organised

**Tabel 123: Challenges: Traffic Services and Law Enforcement**

### Traffic Services and Law Enforcement Service Delivery Statistics

The table below specifies the statistics for the year under review:

Type of service	2014/15	2015/16
Road traffic accidents handled	726	839
By-Law infringements attended to	50	106
Animals impounded	8 goats and 3 dogs	7 dogs
Motor vehicle licenses processed	22 207	29 316
Learner driver licenses processed	1 097	1039
Driver licenses processed	506	478
Driver licenses issued	4 127	5 634
Fines issued for traffic offenses	1 606 (municipal) 6 030 (provincial) 4 977 (speed)	2 913 (municipal) 10 871 (provincial) 1 127 (speed)
R-value of fines collected	R1 890 640	R 1 731 935
Operational call-outs	206	169
Roadblocks held	22	20
Special Functions – Escorts	38 hours	31 hours
Awareness initiatives on public safety	60 hours	56 hours

**Tabel 124: Traffic Services and Law Enforcement service delivery statistics**

### Employees: Traffic and Law Enforcement

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0
4 – 6	1	1	0	1	100
7 – 9	9	9	9	0	0
10 – 12	5	5	5	0	0

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
13 - 15	0	0	0	0	0
<b>Total</b>	<b>15</b>	<b>15</b>	<b>14</b>	<b>10</b>	<b>0.7</b>
<i>Employees and Posts numbers are as at 30 June.</i>					

Tabel 125: Employees: Traffic Services and Law Enforcement

### 3.11.2 Fire and Disaster Management

Fire Services are rendered in terms of a Memorandum of Understanding by the West Coast District Municipality. As for Disaster Management, the municipality has a Disaster Management Plan which is reviewed annually during the IDP public participation process. We are in the position to carry out our plans and have thus far not had any serious disasters.

## 3.12 COMPONENT G: SPORT AND RECREATION

### 3.12.1 Sport and Recreation

The Department is responsible for the maintenance of municipal facilities in our area which consists of the following:

- ≈ Swimming pool (Vredendal-North);
- ≈ Swimming pool (Vredendal-South);
- ≈ 8 Parks which are maintained according to a weekly schedule;
- ≈ 1 Sport hall in Vredendal-South; and
- ≈ 10 Sport fields.

The parks and sport fields are maintained according to a work programme on a daily basis and staff members are also deployed to clean all the halls in the municipal area.

#### Highlights: Sport and Recreation

The table below specifies the highlights for the year:

Highlights	Description
The multi-purpose park in Vredendal is being used more effectively	In the past the park was closed over weekends, but now it's open due to the EPWP programme.
Soccer poles and nets have been provided	Molsvlei and Koekenaap were the beneficiaries of soccer poles and nets.
Upgrading of the Bitterfontein sport ground	Grass was planted, the fence were repaired and the cloakrooms were upgraded.
Official opening of the Vredendal North pavilion and clubhouse.	The pavilion and clubhouse were officially opened by Minister Anroux Marais of the Western Cape Provincial Government.

Tabel 126: Highlights: Sport and Recreation

### Challenges: Sport and Recreation

The challenges that are experienced are as follow:

Description	Actions to address
Lack of lights especially on soccer fields	Budget for the installation of lights.
Vandalism at sport grounds.	Security at sports grounds must be enhanced.
Lack of parks, especially in areas where RDP/BNG houses are build	Engage the private sector to assist.
Maintenance and marketing of our swimming pools	Increase the marketing and enhance the maintenance and supervision

**Tabel 127: Challenges: Sport and Recreation**

### Sport and Recreation Statistics

The table below specifies the statistics for the year under review:

Type of service	2014/15	2015/16
<b>Community parks</b>		
Number of parks with play park equipment	9	9
Number of wards with community parks	9	9
<b>Swimming pools</b>		
Number of visitors per annum	9 900	11 760
R-value collected from entrance fees	49 558	58 807
<b>Camp sites/Resorts</b>		
Number of visitors per annum	2 950	3 500
R-value collected from visitation and/or accommodation fees	1 754 241	2 375 626
<b>Sport fields</b>		
Number of wards with sport fields	8	8
Number of sport associations utilizing sport fields	4	4
R-value collected from utilization of sport fields	0	0
<b>Sport halls</b>		
Number of wards with sport halls	1	1
Number of sport associations utilizing sport halls	7	7
R-value collected from rental of sport halls	61 608	84 208

**Tabel 128: Sport and Recreation statistics**

### Employees: Sport and Recreation

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 – 3	0	0	0	0	0

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
4 – 6	0	0	0	0	0
7 – 9	0	0	0	0	0
10 – 12	1	1	1	0	0
13 - 15	0	0	0	0	0
<b>Total</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>0</b>	<b>0</b>
Employees and Posts numbers are as at 30 June.					

**Tabel 129: Employees: Sport and Recreation**

### Capital Expenditure: Sport and Recreation

The amount spent on capital projects relating to Sport and Recreation was **R1,732 million** for the year:

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Soccer poles in Koekenaap	18	18	18	0	18
Upgrading of ablution facilities in Koekenaap	50	50	50	0	50
Soccer poles and Nets in Molsvlei	12	12	12	0	12
Parks/outdoor gyms in various towns	1 197	1 197	1 197	0	1 197
Equipment Strandfontein	0	0	32	32	32
Upgrading ablution/pavilion at Bitterfontein sport facilities	0	377	402	402	402
Mobile seating for Koekenaap	0	40	21	(19)	21
<b>Total</b>	<b>1 277</b>	<b>1 694</b>	<b>1 732</b>	<b>415</b>	<b>1 732</b>

**Tabel 130: Capital expenditure Sport and Recreation**

## 3.13 COMPONENT H: CORPORATE POLICY OFFICES AND OTHER SERVICES

### 3.13.2 Financial Services

Financial Services are responsible for Budgeting, Reporting, Expenditure, Revenue and Supply Chain Management.

#### Highlights: Financial Services

The table below specifies the highlights for the year:

Highlights	Description
Improvement in cash-flow	The cash-flow position slightly improved during the second term of the year under review and we were able to invest funds during December 2015 on a call deposit account.
External borrowing	No additional loans were taken up to fund capital investment as a strategy to improve the Municipality's financial position.
Annual Financial Statements (AFS)	The Draft AFS for 2014/2015 was submitted timeously to the Audit Committee for reviewing and independent oversight.

**Tabel 131: Highlights: Financial Services**

**Challenges: Financial Services**

The challenges that are experienced are as follow:

Description	Description
Outstanding debtors	Outstanding debtors continue to increase as more consumers relies on subsidies and grants.
Accounts payable	Provision for accruals increased due to challenges experienced in the paying of accounts.
Unemployment	Payment rates reduced as a result of the socio - economic conditions of residents although they are supported with indigent subsidies.

**Tabel 132: Challenges: Financial Services**

**Employees: Financial Services**

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 – 6	27	25	23	2	8
7 – 9	12	18	17	1	6
10 – 12	5	2	2	0	0
13 – 15	3	7	7	0	0
16 – 18	1	1	0	1	100
<b>Total</b>	<b>48</b>	<b>53</b>	<b>49</b>	<b>4</b>	<b>8</b>
<i>Employees and Posts numbers are as at 30 June</i>					

**Tabel 133: Employees: Financial Services**

**3.13.3 Corporate Services****Introduction**

The Directorate Corporative Services comprises of Support Services, Library Services and Information and Communication Technology (ICT) Services. Support Services comprises of Human Resources, Committee Services and Archive Services.

We provide support services to the different directorates and offices in the Municipality in accordance with relevant legislation, collective agreements and internal policies to enable the municipality to deliver quality services to our communities.

Human Resources and Library Services have been covered extensively in other sections of this report and therefore the under-mentioned highlights and challenges focus on ICT Services, Committee Services and Archive Services only.

### Highlights: Corporate Services

The table below specifies the highlights for the year:

Highlights	Description
The appointment of a Senior ICT Official in October 2015 to be more independent from the external ICT service provider by performing more ICT functions internally.	This post was vacant for a long time and the Municipality was mostly dependent on an external service provider to perform all the ICT functions within the Municipality.
The in-house backup of the electronic data/information of the Municipality.	The backup function of the electronic data/information of the Municipality were performed by an external service provider, but since December 2015 all the backups are performed internally.
The new website for the Municipality that was implemented in February 2016.	With the support of the Western Cape Department of Local Government a new website for the Municipality as per the requirements of the National Treasury was implemented in February 2016.
The improvement/problem solving of important software systems regarding electricity in Bitterfontein and Traffic Services.	A new electricity vending pay point closer to the community was installed in April 2016 in Bitterfontein and the faulty electronic traffic fines system was fixed in June 2016 and is now up and running.
Effective distribution of Council agendas and minutes.	The agendas and minutes of all Council meetings were distributed 48 hours prior to the meetings to councillors according to the By-Law regulating the Conduct of Meetings of the Council.
The good quality of all the minutes of council meetings.	Corrections and/or changes to the minutes of Council meetings were very limited when the minutes of previous meetings were confirmed by council.
A new laptop for the recording of council meetings was purchased in October 2015.	The old laptop that was used for the recording of council meetings was old and not reliable and a new laptop was purchased in October 2015.
The new office and storage room for the records division and records of the municipality.	Previously the records of the municipality were kept at different unsafe locations, but since April 2016 the records are kept in the new storage room that complies with the norms and standards of national archive legislation and is safe from any hazards with a fire detection system.
An approved Records Management Policy and Records Procedure Manual for the municipality.	The Records Management Policy and Records Procedure Manual of the Municipality were approved by the Western Cape Archives and Records Service and are in operation.
To process to dispose the old records of the Municipality, including those of the former old municipalities has started.	Previously the old records of the municipality and former old municipalities were not disposed of, but a routine disposal program of these old records is now in operation.

**Tabel 134: Highlights: Corporate Services**

### Challenges: Corporate Services

The challenges that are experienced are as follow:

Description	Actions to address
The Municipal Corporate Governance of Information and Communication Technology Policy is not yet fully implemented and other necessary ICT policies according to this "main" ICT policy are not developed, approved and implemented yet.	The full implementation of the Municipal Corporate Governance of Information and Communication Technology Policy of the Municipality and the accompanying development, approval and implementation of the other necessary ICT policies.
The many outdated ICT equipment of the Municipality.	Provision must be made in future budgets for the replacement of the outdated ICT equipment systematically as identified.
The employees and councillors of the municipality that is not sufficiently trained on ICT systems and programmes.	Provision must be made for sufficient training of employees and councillors.
Limited capacity in the ICT and the Committee Services sections which are under staffed.	The organogram (staff structure) of the municipality must be extended to provide for the necessary posts to be filled to enhance the capacity to deliver a more effective service.

Description	Actions to address
Proper steel filling cabinets and files for records that complies with archival requirements for the records storing room and a copy/scan machine for the records office.	The current wooden cabinets and shelves in the storage room and the files for records does not comply with archival requirements and a copy/scan machine for the records office must be provided for in future budgets.
An approved Records Control Schedule and Disposal Authority for the current filling system of the Municipality	A Records Control Schedule and Disposal Authority for the current filling system must be compiled and submitted to the Western Cape Archives and Records Service for approval.
The transfer of all terminated A20 records of all the former municipalities to the Western Cape Archives and Records Service.	All terminated A20 records of all the former municipalities must be transferred to the Western Cape Archives and Records Service after their approval thereof.
The functions of the Collaborator software program by which records of the Municipality are electronically distributed are not fully utilised.	The extension and implementation of all the additional functions of the Collaborator software program.

Tabel 135: Challenges: Corporate Services

### Employees: Corporate Services

The following table indicates the staff composition for this division:

Job Level	2014/15	2015/16			
	Employees	Posts	Employees	Vacancies (budgeted posts)	Vacancies (as a % of total posts)
	No.	No.	No.	No.	%
0 - 3	0	0	0	0	0
4 – 6	2	2	2	0	0
7 – 9	5	6	6	0	0
10 – 12	3	3	3	0	0
13 – 15	1	2	2	0	0
16 – 18	2	2	2	0	0
<b>Total</b>	<b>13</b>	<b>15</b>	<b>15</b>	<b>0</b>	<b>0</b>

Employees and Posts numbers are as at 30 June

Tabel 136: Employees: Corporate Services

### Capital Expenditure: Corporate Services

The table below indicates that an amount of **R134 000** was spent on capital projects relating to ICT:

Capital Projects	Budget	Adjustment Budget	Actual Expenditure	Variance from original budget	Total Project Value
R'000					
Upgrading of personal computers	75	75	69	(6)	69
ICT equipment and printers	75	75	65	(10)	69
<b>Total</b>	<b>150</b>	<b>150</b>	<b>134</b>	<b>(16)</b>	<b>134</b>

Tabel 137: Capital expenditure Corporate Services



**3.14 COMPONENT I: SERVICE DELIVERY INDICATORS FOR 2016/17**

The main development and service delivery priorities for 2016/17 are included in the Municipality's Top Layer SDBIP for 2016/17 and the Key Performance Indicators to achieve the service delivery priorities:

*Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment*

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL10	Create temporary jobs opportunities through EPWP projects by 30 June 2017	Number of temporary job opportunities created by 30 June 2017	All	150
TL18	Compile a LED policy and submit to Council by 30 June 2017	Policy compiled and submitted to Council by 30 June 2017	All	1

**Tabel 138:** *Facilitate development and growth of the local economy of the Matzikama municipal area with the intent to create opportunities that will reduce poverty and unemployment*

*To capacitate all communities to participate in the development processes of the Municipality*

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL19	Compile the draft 4th generation IDP and submit to Council by 31 March 2017	Draft 4th generation IDP submitted to Council by 31 March 2017	All	1

**Tabel 139:** *To capacitate all communities to participate in the development processes of the Municipality*

*To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability*

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL13	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2017 ((Total operating revenue-operating grants received)/debt service payments due within the year))	% of debt coverage	All	24%
TL14	Financial viability measured in terms of the municipality's ability to meet it's service debt obligations as at 30 June 2017 ((Short Term Borrowing + Bank Overdraft + Short Term Lease + Long Term Borrowing + Long Term Lease) / Total Operating Revenue - Operating Conditional Grant)	% of outstanding service debtors	All	45%
TL15	Financial viability measured in terms of the available cash to cover fixed operating expenditure as at 30 June 2017 ((Cash and Cash Equivalents - Unspent Conditional Grants - Overdraft) + Short Term Investment) / Monthly Fixed Operational Expenditure excluding (Depreciation, Amortisation, and Provision for Bad Debts, Impairment and Loss on Disposal of Assets))	Number of months it takes to cover fix operating expenditure with available cash	All	0.2
TL36	Achieve a debtors payment percentage of 88% at 30 June 2017 (Gross Debtors Opening Balance + Billed Revenue - Gross Debtors Closing Balance - Bad Debts Written Off / Billed Revenue x 100)	Payment % achieved at 30 June 2017	All	88%
TL37	Submit the annual financial statements for 2015/16 by 31 August 2016 to the Office of the Auditor-General	Financial statements submitted by 31 August 2016 to the Office of the Auditor-General	All	1

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL38	Develop a long term financial plan and submit to Council by 31 March 2017	Plan submitted to Council by 31 March 2017	All	1

**Tabel 140:** *To expand and grow the Matzikama Municipality's Internally Generated Funds (IGF) with the intent to promote long-term financial stability*

**To promote a transparent and caring Municipality that is accountable to its citizens**

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL11	Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	Number of people employed in the three highest levels of management	All	1
TL12	The percentage of the municipality's personnel budget actually spent on implementing its workplace skills plan by 30 June 2017 [(Actual amount spent on training/total personnel budget)x100]	% of personnel budget actually spent on implementing its workplace skills plan by 30 June 2017 [(Actual amount spent on training/total personnel budget)x100]	All	0.40%
TL16	Submit the Annual Performance Report in terms of Section 46 of the Municipal Systems Act to the Auditor-General by 31 August 2016	Report submitted to the Auditor-General by 31 August 2016	All	1
TL17	Submit the Draft Annual Report to Council by 31 January 2017	Draft report submitted to council by 31 January 2017	All	1
TL34	Compile the Risk based Audit Plan for 2017/18 and submit to the Audit Committee by 31 May 2017	RBAP submitted to the Audit Committee by 31 May 2017	All	1
TL35	Complete planned audits in terms of the Risk Based Audit plan by 30 June 2017 {(Planned audits completed divided by the audits planned for the financial year)x100}	% of planned audits completed by 30 June 2017	All	80%
TL39	Limit the vacancy rate to less than 10% of budgeted posts by 30 June 2017 {(Actual approved budgeted vacant positions / total budgeted approved posts)x100}	% Vacancy rate by 30 June 2017{(Actual approved budgeted vacant positions / total budgeted approved posts)x100}	All	10%
TL40	95% of the capital budget for Corporate Services spent by 30 June 2017 {(Actual expenditure on capital projects / total budget for capital projects )x100}	% of Corporate Services capital budget spent by 30 June 2017 {(Actual expenditure on capital projects / total budget for capital projects )x100}	All	95%
TL41	Submit the work skills plan to Local Government SETA by 31 May 2017	Plan submitted to LGSETA by 31 May 2017	All	1
TL42	Submit the reviewed the municipal organogram to Council by 30 June 2017	Reviewed organogram submitted to Council by 30 June 2017	All	1

**Tabel 141:** *To promote a transparent and caring Municipality that is accountable to its citizens*

**To promote access to adequate, affordable and well maintained municipal basic services**

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL1	Number of formal residential properties that which are billed for water or have pre paid meters that is connected to the municipal water infrastructure network as at 30 June 2017	Number of residential properties which are billed for water or have pre paid meters as at 30 June 2017	All	10,796
TL2	Number of formal residential properties which are billed for electricity or have pre paid meters as at 30 June 2017 (excluding Eskom areas)	Number of residential properties which are billed for electricity or have pre paid meters as at 30 June 2017 (Excluding Eskom areas)	All	11,797

Ref	KPI	Unit of Measurement	Wards	Annual Target
TL3	Number of formal residential properties connected to the municipal waste water sanitation/sewerage network for sewerage service, irrespective of the number of water closets (toilets) which are billed for sewerage as at 30 June 2017	Number of residential properties which are billed for sewerage as at 30 June 2017	All	8,612
TL4	Number of formal residential properties which are billed for refuse removal as at 30 June 2017	Number of residential properties which are billed for sewerage as at 30 June 2017	All	10,330
TL5	Provide free basic water to indigent households earning less than R4500 as at 30 June 2017	Number of households receiving free basic water as at 30 June 2017	All	1,351
TL6	Provide free basic electricity to indigent households earning less than R4500 as at 30 June 2017	Number of households receiving free basic electricity as at 30 June 2017	All	535
TL7	Provide free basic sanitation to indigent households earning less than R4500 as at 30 June 2017	Number of households receiving free basic sanitation as at 30 June 2017	All	2,516
TL8	Provide free basic refuse removal to indigent households earning less than R4500 as at 30 June 2017	Number of households receiving free basic refuse removal as at 30 June 2017	All	2,698
TL9	The percentage of the municipal capital budget actually spent on capital projects by 30 June 2017 {(Actual amount spent on projects / Total amount budgeted for capital projects)X100}	% of the municipal budget spent by 30 June 2017	All	90%
TL20	Limit unaccounted for electricity to less than 12% by 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	% unaccounted electricity at 30 June 2017 {(Number of Electricity Units Purchased and/or Generated - Number of Electricity Units Sold) / Number of Electricity Units Purchased and/or Generated} × 100}	All	12%
TL21	Limit unaccounted for water to less than 15% by 30 June 2017 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified} × 100}	% unaccounted water at 30 June 2017 {(Number of Kilolitres Water Purchased or Purified - Number of Kilolitres Water Sold) / Number of Kilolitres Water Purchased or Purified} × 100}	All	15%
TL22	95% of water samples comply with SANS241 micro biological indicators {(Number of water samples that comply with SANS21 indicators/Number of water samples tested)x100}	% of water samples compliant	All	95%
TL23	Upgrade the Waste Water Treatment Works in Lutzville by 30 June 2017	Project Completed by 30 June 2017	1	1
TL24	Pave the bus route in Klawer by 30 June 2017	Project Completed by 30 June 2017	6	1
TL25	Pave the bus route in Vredendal by 30 June 2017	Project Completed by 30 June 2017	3; 4; 5	1
TL26	Pave streets in Doringbaai by 30 June 2017	Project Completed by 30 June 2017	2	1
TL27	Complete phase 1 of the construction of the stormwater drainage pipe network in Lutzville by 30 June 2017	Project Completed by 30 June 2017	1	1
TL28	Install electricity connections to 80 houses in Klawer by 30 June 2017	Number of electricity connections installed by 30 June 2017	6	80
TL29	90% spent of budget spent to complete projects to the Electricity Master plan for Vredendal by 30 June 2017 ((Actual expenditure divided by the total approved budget)x100)	% of budget spent by 30 June 2017	3; 4; 5	1
TL30	90% of the roads and stormwater assets maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by	% of budget spent by 30 June 2017	All	90%

Ref	KPI	Unit of Measurement	Wards	Annual Target
	the total approved budget for maintenance)x100)			
TL31	90% of the sanitation assets maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent by 30 June 2017	All	90%
TL32	90% of the water assets maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent by 30 June 2017	All	90%
TL33	90% of the electricity maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of budget spent by 30 June 2017	All	90%
TL43	95% of the capital budget for Community Services spent by 30 June 2017 {(Actual expenditure on capital projects / total budget for capital projects )x100}	% of Community Services capital budget spent {(Actual expenditure on capital projects / total budget for capital projects )x100}	All	95%
TL44	Submit the reviewed Disaster Management Plan to Council by 31 March 2017	Reviewed Disaster Management Plan submitted to Council by 31 March 2017	All	1
TL45	90% of the parks and recreation maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance / total approved budget for maintenance)x100)	% of maintenance budget spent by 30 June 2017	All	90%
TL46	90% of the refuse maintenance budget spent by 30 June 2017 ((Actual expenditure on maintenance divided by the total approved budget for maintenance)x100)	% of maintenance budget spent by 30 June 2017	All	90%

**Tabel 142:** To promote access to adequate, affordable and well maintained municipal basic services

### 3.15 INDIVIDUAL PERFORMANCE MANAGEMENT

#### *Municipal Manager and Managers Directly Accountable to the Municipal Manager*

The Municipal Systems Act, 2000 (Act 32 of 2000) prescribes that the municipality must enter into performance based agreements with the all s57-employees and that performance agreements must be reviewed annually. This process and the format are further regulated by Regulation 805 (August 2006). The performance agreements for the 2015/16 financial year were signed during July 2015 as prescribed.

The appraisal of the actual performance in terms of the signed agreements takes place twice per annum as regulated. The final evaluation of the 2014/15 financial year (1 January 2015 to 30 June 2015) took place on **1 October 2015** and the mid-year performance of 2015/16 (1 July 2015 to 31 December 2015) took place on **7 March 2016**. The final evaluation of the 2015/16 financial year (1 January 2016 to 30 June 2016) will take place during September/October 2016.

The appraisals were done by an evaluation panel as indicated in the signed performance agreements and in terms of Regulation 805 and consisted of the following people:

- ≈ Executive Mayor;
- ≈ Portfolio Chairpersons;
- ≈ Acting Municipal Manager; and
- ≈ Chairperson/member of the Audit Committee.

### *Other municipal personnel*

The municipality is in the process of implementing individual performance management to lower level staff in annual phases. It was envisaged that all staff on post level 12 and higher should sign performance agreements or performance development plans for the 2015/16 financial year, but was not achieved due to disagreement with organised labour.

## CHAPTER 4

## 4.1 INTRODUCTION TO THE MUNICIPAL WORKFORCE

The following table indicates the municipality's performance in terms of the National Key Performance Indicators required in terms of the Local Government: Municipal Planning and the Performance Management Regulations of 2001 and section 43 of the MSA. These key performance indicators are linked to the National Key Performance Area – Municipal Transformation and Organizational Development.

KPA & Indicators	Municipal Achievement	Municipal Achievement
	2014/15	2015/16
The number of people from <b>employment equity</b> target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan	1	1
The percentage of the municipality's salary budget actually spent on implementing its workplace skills plan	0.51%	0.60

**Tabel 143: National KPIs– Municipal Transformation and Organisational Development**

## 4.2 HIGHLIGHTS: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT

Highlight	Description
Recruitment of personnel	The successful appointment of 50 new permanent employees and the promotion of 35 employees.
Training	149 Employees receive training in the 2015/16 financial year. 71 employees received training for needs identified by the workplace skills plan and 78 employees received training for <i>ad hoc</i> training needs.
Discretionary funding from the LGSETA	2 Learnerships were approved by the LGSETA to receive discretionary funding.
Appointment of a service provider to review / re-design the macro and micro staff structure of the municipality	To establish a new macro and micro staff structure for the municipality as determined by the Regulations of 17 January 2014.
The revision of several HR policies	The Standby Service and Standby Allowance Policy, the Policy regarding private work by officials, the Clothing (in the workplace) Policy and the Travel and Subsistence Allowance Policy were revised.
The development and approval of a Staff Retention Policy	To ensure that employees with valued or needed skills or experience in a scarce/critical field where recruitment is difficult, are kept within the service of the Municipality.
A decrease of the number of employees injured in the workplace in comparison with the previous financial year	The injury rate shows a decrease from 35 employees injured in the 2014/15 financial year to 27 employees injured in the 2015/16 financial year.
A decrease of the number of days sick leave taken by employees in comparison with the previous financial year	The total number of sick leave days taken during the 2015/16 financial year (2 285 days) shows a decrease when comparing it with the 2014/15 financial year (2 382 days).
Improvement of the turnover rate of employees in comparison with the previous financial year	The turnover rate of employees improved from 11.2% in the 2014/15 financial year to 6.7% in the 2015/16 financial year.

**Tabel 144: Performance Highlights – Municipal Transformation and Organizational Development**

**4.3 CHALLENGES: MUNICIPAL TRANSFORMATION AND ORGANIZATIONAL DEVELOPMENT**

Challenge	Action to address
The successful implementation of the newly designed macro and micro staff structure of the municipality	The implementation of the newly designed macro and micro staff structure of the municipality successfully by the service provider, including the revision and evaluation of all TASK job descriptions.
The revision of all HR policies	It is part of the terms of reference of the service provider who reviewed / re-designed the macro and micro staff structure.
Retention of skilled employees	The implementation of the Staff Retention Policy
Improvement of employment equity targets	The appointment of African people and females in senior management positions, white people in the unskilled and defined decision making occupational levels and white males in the semi-skilled and discretionary decision occupational levels.
Performance management of lower level employees	Implementation of performance management to lower level employees.
Limited municipal training budget to roll out training interventions listed on the Workplace Skills Plan (WSP)	The training budget should be compiled more accurately according to the WSP and all funding received from the LGSETA must be allocated to the municipal training budget.
To align the Integrated Development Plan (IDP) and the Workplace Skills Plan (WSP)	Skills needed for projects as identified in the IDP must analysed and included in the WSP.
Compliance to minimum competency levels by municipal officials	14 officials should have been compliant to the minimum competency levels at 30 September 2015, but only 10 officials are currently compliant as 4 officials must still finalise their training to comply.

**Tabel 145: Challenges: Municipal Transformation and Organizational Development****4.4 INTRODUCTION TO THE MUNICIPAL WORKFORCE**

The Matzikama Municipality currently employs **404** officials, who individually and collectively contribute to the achievement of municipal objectives. The primary objective of Human Resource Management is to render an innovative HR service that addresses both skills development and an administrative function.

**4.4.1 Employment Equity**

The Employment Equity Act (1998) Chapter 3, Section 15 (1) states that affirmative action measures are measures designed to ensure that suitable qualified people from designated groups have equal employment opportunities and are equitably represented in all occupational categories and levels in the workforce of a designated employer. The national performance indicator also refers to: "Number of people from employment equity target groups employed in the three highest levels of management in compliance with a municipality's approved employment equity plan".

**Employment Equity**

The tables below specifies the targets of the municipality and the actual performance as at 30 June 2016.

African			Coloured			Indian			White		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
137	34	25%	206	335	163%	0	0	0%	61	35	57%

**Tabel 146: Employment equity targets and actual performance by racial classification**

Male			Female			Disability		
Target June	Actual June	Target reach	Target June	Actual June	Target reach	Target June	Actual June	Target reach
212	277	131%	192	127	66%	10	8	80%

**Tabel 147:** Employment equity targets and actual performance by gender classification

### Employment Equity vs. Population

Description	African	Coloured	Other	White	Total
Population numbers	5 707	50 158	1 343	9 938	67 147
% Population	9%	75%	2%	14%	100
Number for positions filled	34	335	0	35	404
% for Positions filled	8%	83%	0	9%	100

**Tabel 148:** Employment equity vs. population

### Occupational Categories – Race

Below is a table that specifies the number of employees by race within the specific occupational categories:

Posts filled									
Occupational	Male				Female				Total
Categories	A	C	I	W	A	C	I	W	
Legislators, senior officials and managers	0	5	0	5	0	1	0	1	12
Professionals	1	13	0	3	0	4	0	8	29
Technicians and associate professionals	0	25	0	3	0	0	0	0	28
Clerks	1	17	0	0	1	33	0	13	65
Service and sales workers	1	14	0	0	1	18	0	2	36
Craft and related trades workers	0	0	0	0	0	0	0	0	0
Plant and machine operators and assemblers	5	29	0	0	0	0	0	0	34
Elementary occupations	21	134	0	0	3	42	0	0	200
<b>Total permanent</b>	<b>29</b>	<b>237</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>98</b>	<b>0</b>	<b>24</b>	<b>404</b>
Non- permanent	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>29</b>	<b>237</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>98</b>	<b>0</b>	<b>24</b>	<b>404</b>

**Tabel 149:** Occupational categories - Race

### Occupational Levels - Race

The table below specifies the number of employees by race within the specific occupational levels:

Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Top Management	0	0	0	0	0	0	0	0	0
Senior management	0	3	0	1	0	0	0	0	4
Professionally qualified and experienced specialists and mid- management	0	2	0	4	0	1	0	1	8
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	2	47	0	6	0	15	0	13	83



Occupational	Male				Female				Total
Levels	A	C	I	W	A	C	I	W	
Semi-skilled and discretionary decision making	10	65	0	0	2	42	0	10	129
Unskilled and defined decision making	17	120	0	0	3	40	0	0	180
<b>Total permanent</b>	<b>29</b>	<b>237</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>98</b>	<b>0</b>	<b>24</b>	<b>404</b>
Non- permanent employees	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>29</b>	<b>237</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>98</b>	<b>0</b>	<b>24</b>	<b>404</b>

Tabel 150: Occupational levels - Race

### Departments - Race

The following table specifies the number of employees by race within the different departments:

Department	Male				Female				Total
	A	C	I	W	A	C	I	W	
Municipal Manager	0	5	0	1	0	1	0	1	8
Development and Town Planning Services	0	8	0	1	0	1	0	4	14
Corporate Services	1	5	0	1	0	18	0	7	32
Financial Services	0	11	0	2	1	25	0	10	49
Community Services	8	69	0	1	3	34	0	2	117
Technical Services	20	139	0	5	1	19	0	0	184
<b>Total permanent</b>	<b>29</b>	<b>237</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>98</b>	<b>0</b>	<b>24</b>	<b>404</b>
Non- permanent	0	0	0	0	0	0	0	0	0
<b>Grand total</b>	<b>29</b>	<b>237</b>	<b>0</b>	<b>11</b>	<b>5</b>	<b>98</b>	<b>0</b>	<b>24</b>	<b>404</b>

Tabel 151: Department – Race

### 4.4.2 Vacancy Rate

The approved organogram for the municipality had **481** posts for the 2015/16 financial year and **427** of the posts were budgeted for. The actual positions filled are **404** as indicated in the tables below by post level and by functional level. **Twenty-three (23)** Budgeted posts were vacant at the end of 2015/16, resulting in a vacancy rate of **5%**.

Per Post Level		
Post level	Filled	Vacant
MM & MSA section 57 & 56	4	2
Middle management	8	2
Admin Officers	212	9
General Workers	180	10
<b>Total</b>	<b>404</b>	<b>23</b>
Per Functional Level		
Functional area	Filled	Vacant
Municipal Manager	8	1
Development and Town Planning Services	14	1
Corporate Services	32	0
Financial Services	49	4

Per Post Level		
Post level	Filled	Vacant
Community Services	119	11
Technical Services	182	6
<b>Total</b>	<b>404</b>	<b>23</b>

**Tabel 152:** Vacancy rate per post and functional level

The table below specifies the current critical vacant positions:

Salary Level	Number of current critical vacancies	Number total posts as per organogram	Vacancy job title	Vacancies as a proportion of total posts per category
Municipal Manager	1	1	Municipal Manager	100%
Chief Financial Officer	1	1	Chief Financial Officer	100%
Other Section 57 Managers	0	0	n/a	0%
Senior Management	2	11	<ul style="list-style-type: none"> <li>Manager IDP/LED</li> <li>Manager Community Services</li> </ul>	18%
Highly skilled supervision	0	30	n/a	0%
<b>Total</b>	<b>4</b>	<b>43</b>	<b>n/a</b>	<b>9%</b>

**Tabel 153:** Critical vacancies

#### 4.4.3 Turnover rate

A high turnover may be costly to a municipality and might negatively affect productivity, service delivery and institutional memory/organizational knowledge. Below is a table that specifies that the turnover rate for the municipality decreased from **11.2%** in 2014/15 to **6.7%** in 2015/16.

The table below indicates the turn-over rate for the last two financial years:

Financial year	Total number of Appointments at the end of each Financial Year	New Appointments	Number of Terminations During the Year	Turn-over Rate
2014/15	382	40	43	11.2%
2015/16	404	50	27	6.7%

**Tabel 154:** Turnover rate

## 4.5 MANAGING THE MUNICIPAL WORKFORCE

Managing the municipal workforce refers to analysing and coordinating employee behaviour.

### 4.5.1 Injuries

The injury rate decreased from **35** employees injured in the 2014/15 financial year to **27** employees in the 2015/16 financial year.

The table below specifies the total number of injuries within the different departments:

Directorates	2014/15	2015/16
Municipal Manager	0	0
Development and Town Planning Services	0	0

Directorates	2014/15	2015/16
Corporate Services	0	1
Financial Services	1	0
Community Services	15	15
Technical Services	19	11
<b>Total</b>	<b>35</b>	<b>27</b>

**Tabel 155: Injuries**

#### **4.5.2 Sick Leave**

The total number of sick leave days taken during the 2015/16 financial year decreased when compared to the 2014/15 financial year.

The table below specifies the total number sick leave days taken within the different directorates:

Department	2014/15	2015/16
Municipal Manager	25	30
Development and Town Planning Services	125	114
Corporate Services	234	236
Financial Services	340	284
Community Services	745	735
Technical Services	913	886
<b>Total</b>	<b>2 382</b>	<b>2 285</b>

**Tabel 156: Sick leave**

#### **4.5.3 HR Policies and Plans**

The Human Resource Management policies and plans provide guidance for fair and consistent staff treatment and a consistent approach to the management of staff.

The table below shows the HR policies and plans that were approved and/or revised in 2015/16 and that still needs to be developed:

Approved Policies	
Name of Policy	Date Approved/ Revised
Payment of furniture removal costs regarding new appointments	31 July 2001
Smoking in the workplace	30 June 2003
Misuse of intoxicated substances	30 June 2003
HIV / AIDS in the workplace	30 June 2003
Sexual harassment in the workplace	30 June 2003
Overtime work by employees	22 February 2005
Transport allowance scheme for essential users	6 May 2005
Vehicle scheme for senior officials	31 October 2005
Procedure for the appointment of personnel	1 August 2009
Recruitment of "scarce skills"	13 April 2010
Induction policy	31 January 2011

Approved Policies	
Name of Policy	Date Approved/ Revised
Performance management policy	2 August 2011
Study bursaries policy	29 October 2013
Employee assistance programme policy	6 December 2013
Acting allowance policy	29 May 2015
Use of telephones and cell phones at the workplace	8 June 2015
Standby service and standby allowance policy	31 August 2015
Consent regarding private work to employees	27 October 2015
Clothing (in the workplace) policy	29 March 2016
Subsistence and travel policy	31 May 2016
Staff Retention Policy	28 June 2016
Policies Still to be Developed	
Name of Policy	Proposed Date of Approval
Employment of internships / students	December 2016
Whistle blowing" at the workplace	December 2016
Training and Development Policy	March 2017
Health and Safety Policy	June 2017

Tabel 157: HR policies and plans

## 4.6 CAPACITATING THE MUNICIPAL WORKFORCE

Section 68(1) of the MSA states that municipality must develop its human resource capacity to a level that enables it to perform its functions and exercise its powers in an economical, effective, efficient and accountable way. For this reason the human resource capacity of a municipality must comply with the Skills Development Act (SDA), 1998 (Act No. 81 of 1998), and the Skills Development Levies Act, 20 1999 (Act No. 28 of 1999).

### 4.6.1 Skills Matrix

The table below specifies the number of employees that received training in the year under review:

Management level	Gender	Number of employees Identified for Training at the Start of the Year	Number of Employees that Received Training as Identified in WSP	Number of Employees that Received <i>Adhoc</i> Training
MM and S57	Female	0	0	0
	Male	4	4	5
Legislators, senior officials and managers	Female	12	5	1
	Male	9	1	6
Professionals	Female	2	2	8
	Male	3	0	8
Associate professionals and Technicians	Female	2	0	4
	Male	10	4	8
Clerks	Female	4	2	16
	Male	3	2	7
Service and sales workers	Female	0	0	0
	Male	0	2	0

Management level	Gender	Number of employees Identified for Training at the Start of the Year	Number of Employees that Received Training as Identified in WSP	Number of Employees that Received <i>Adhoc</i> Training
Craft and related trade workers	Female	0	0	0
	Male	3	3	4
Plant and machine operators and assemblers	Female	0	0	0
	Male	7	12	11
Elementary occupations	Female	18	7	0
	Male	67	27	0
Sub total	Female	38	16	29
	Male	106	55	49
Total		144	71	78

Tabel 158: Skills Matrix

#### 4.6.2 Skills Development – Training provided

The Skills Development Act (1998) and the Municipal Systems Act, (2000), require employers to supply employees with the necessary training in order to develop its human resource capacity. Section 55(1)(f) states that as head of administration the Municipal Manager is responsible for the management, utilization and training of staff.

Occupational categories	Gender	Training provided within the reporting period							
		Learnerships		Skills programmes & other short courses		Adhoc training	Total		
		Actual	Target	Actual	Target	Actual	Actual	Target	% Variance
MM and S57	Female	0	0	0	0	0	0	0	n/a
	Male	0	0	4	4	5	9	4	125
Legislators, senior officials and managers	Female	0	0	5	12	1	6	12	(50)
	Male	0	1	1	8	6	7	9	(22)
Professionals	Female	0	0	2	2	8	10	2	400
	Male	0	3	0	0	8	8	3	167
Technicians and associate professionals	Female	0	1	0	1	4	4	2	100
	Male	0	1	4	9	8	12	10	20
Clerks	Female	0	4	2	0	16	18	4	350
	Male	0	3	2	0	7	9	3	200
Service and sales workers	Female	0	0	0	0	0	0	0	n/a
	Male	0	0	2	0	0	2	0	200
Craft and related trade workers	Female	0	0	0	0	0	0	0	n/a
	Male	1	2	2	1	4	7	3	133
Plant and machine operators and assemblers	Female	0	0	0	0	0	0	0	n/a
	Male	12	1	0	6	11	23	7	229
Elementary occupations	Female	1	2	6	16	0	7	18	(61)
	Male	13	43	14	24	0	27	67	(60)
Sub total	Female	1	7	15	31	29	45	38	18
	Male	26	54	29	52	49	104	106	(2)

Occupational categories	Gender	Training provided within the reporting period							
		Learnerships		Skills programmes & other short courses		Adhoc training	Total		
		Actual	Target	Actual	Target	Actual	Actual	Target	% Variance
Total		27	61	44	83	78	149	144	3

Tabel 159: Skills development

#### 4.6.3 Skills Development - Budget allocation

The table below indicates that a total amount of **R670 000** was allocated to the workplace skills plan and that **88%** of the total amount was spent in the 2015/16 financial year:

Total personnel budget	Total Allocated	Total Spend	% Spend
R'000			%
98 786	670	591	88%

Tabel 160: Budget allocated and spent for skills development

### 4.7 MANAGING THE MUNICIPAL WORKFORCE EXPENDITURE

Section 66 of the MSA states that the accounting officer of a municipality must report to the Council on all expenditure incurred by the municipality on staff salaries, wages, allowances and benefits. This is in line with the requirements of the Public Service Regulations, (2002), as well as National Treasury Budget and Reporting Regulations SA22 and SA23.

#### 4.7.1 Personnel Expenditure

The percentage personnel expenditure is essential in the budgeting process as it reflects on current and future efficiency. The table below indicates the percentage of the municipal budget that was spent on salaries and allowance for the past two financial years and that the municipality is within the national norm of between 35 to 40%:

Financial year	Total Expenditure salary and allowances	Total Operating Expenditure	Percentage (%)
	R'000		
2014/15	87 007	225 489	38.59
2015/16	99 437	255 034	38.91

Tabel 161: Personnel expenditure as % of total operating expenditure

Below is a summary of Councillor and staff benefits for the year under review:

Financial year	2014/15	2015/16		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
<u>Councillors (Political Office Bearers plus Other)</u>				
Salary	4448	4 829	4 829	4 731
Pension Contributions	435	476	434	433
Medical Aid Contributions	106	128	128	89
Motor vehicle allowance	345	365	351	344
Cell phone allowance	309	352	352	311

Financial year	2014/15	2015/16		
Description	Actual	Original Budget	Adjusted Budget	Actual
	R'000			
Housing allowance	0	0	0	0
Other benefits or allowances	0	0	0	0
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>5 643</b>	<b>6 150</b>	<b>6 094</b>	<b>5 908</b>
<b>% increase/ (decrease)</b>	<b>-</b>	<b>9.0</b>	<b>0.9</b>	<b>(3.1)</b>
<b>Senior Managers of the Municipality</b>				
Salary	2 496	3 692	4 157	3 305
Pension Contributions	476	666	683	849
Medical Aid Contributions	122	259	184	132
Motor vehicle allowance	302	479	531	408
Cell phone allowance	0	-	0	33
Housing allowance	13	104	0	0
Performance Bonus	110	0	430	374
Other benefits or allowances	355	239	0	2 106
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>3 874</b>	<b>5 439</b>	<b>5 985</b>	<b>7 207</b>
<b>% increase/ (decrease)</b>	<b>-</b>	<b>40.4</b>	<b>10.0</b>	<b>20.4</b>
<b>Other Municipal Staff</b>				
Basic Salaries and Wages	57 184	61 899	60 156	60 589
Pension Contributions	8 905	11 019	10 918	10 025
Medical Aid Contributions	2 525	3 274	3 311	2 932
Motor vehicle allowance	2 938	3 909	3 763	2 984
Cell phone allowance	19	3	132	115
Housing allowance	191	268	840	163
Overtime	2 839	2 579	2 807	3 577
Other benefits or allowances	2 888	4 365	4 780	5 937
In-kind benefits	0	0	0	0
<b>Sub Total</b>	<b>77 489</b>	<b>87 316</b>	<b>86 707</b>	<b>86 322</b>
<b>% increase/ (decrease)</b>	<b>-</b>	<b>12.7</b>	<b>(0.7)</b>	<b>(0.4)</b>
<b>Total Municipality</b>	<b>87 006</b>	<b>98 905</b>	<b>98 786</b>	<b>99 437</b>
<b>% increase/ (decrease)</b>	<b>-</b>	<b>13.7</b>	<b>(0.1)</b>	<b>0.7</b>

Tabel 162: Personnel expenditure

## 4.8 MFMA COMPETENCIES

In terms of Section 83 (1) of the MFMA, the accounting officer, senior managers, the chief financial officer, non-financial managers and other financial officials of a municipality must meet the prescribed financial management competency levels that are key to the successful implementation of the Municipal Finance Management Act. National Treasury has prescribed such financial management competencies in Government Notice 493 dated 15 June 2007.

To assist the above-mentioned officials to acquire the prescribed financial competencies, National Treasury, with the collaboration of various stakeholders and role players in the local government sphere, developed an outcomes-based NQF Level 6 qualification in municipal finance management. In terms of the Government Notice 493 of 15 June 2007, "(1) No municipality or municipal entity may, with effect 1 January 2013 (exempted to 30 September 2015 in terms of Government Notice 179 of 14 March 2014), employ a person as a financial official if that person does not meet the competency levels prescribed for the relevant position in terms of these Regulations."

**14** Employees were identified to obtain the above-mentioned qualification and prescribed competencies.

The progress is as follows:

≈ 10 employees completed the Municipal Minimum Competency Level training

≈ 4 employees are still busy finalising their training

The table below provides details of the financial competency development progress as required by the Annexure to the regulations:

Financial Competency Development: Progress Report				
Description	Total number of officials employed by municipality (Regulation 14(4)(a) and (c))	Competency assessments completed (Regulation 14(4)(b) and (d))	Total number of officials whose performance agreements comply with Regulation 16 (Regulation 14(4)(f))	Total number of officials that meet prescribed competency levels (Regulation 14(4)(e))
Financial Officials				
Accounting officer	0	0	0	0
Chief financial officer	0	0	0	0
Senior managers	4	0	4	3
Any other financial officials	8	0	0	6
Supply Chain Management Officials				
Heads of supply chain management units	1	0	0	1
Supply chain management senior managers	1	0	0	0
<b>Total</b>	<b>14</b>	<b>0</b>	<b>4</b>	<b>10</b>

**Tabel 163:** Financial competency development: Progress report



## CHAPTER 5

This chapter provides details regarding the financial performance of the municipality for the 2015/16 financial year.

## COMPONENT A: STATEMENTS OF FINANCIAL PERFORMANCE

The Statement of Financial Performance provides an overview of the financial performance of the municipality and focuses on the financial health of the municipality.

## 5.1 Financial Summary

The table below indicates the summary of the financial performance for the 2015/16 financial year:

Description	2014/15		2015/16		2015/16 Variance	
	R'000				%	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
Financial Performance						
Property rates	32,574	37,204	40,170	36,598	-1.65	-9.76
Service charges	128,031	144,252	142,060	135,222	-6.68	-5.06
Investment revenue	939	699	1,049	1,654	57.76	36.60
Transfers recognised - operational	49,640	50,788	52,355	52,131	2.58	-0.43
Other own revenue	21,665	19,272	18,950	18,507	-4.13	-2.39
Total Revenue (excluding capital transfers and contributions)	232,849	252,214	254,584	244,113	-3.32	-4.29
Employee costs	81,364	92,755	92,692	93,529	0.83	0.90
Remuneration of councillors	5,642	6,150	6,094	5,908	-4.10	-3.15
Depreciation & asset impairment	12,067	11,753	11,753	12,885	8.78	8.78
Finance charges	8,180	7,763	8,562	8,313	6.62	-2.99
Materials and bulk purchases	73,819	83,483	83,083	82,656	-1.00	-0.52
Transfers and grants	928	975	975	957	-1.87	-1.87
Other expenditure	44,658	45,454	58,106	50,459	9.92	-15.15
Total Expenditure	226,659	248,334	261,265	254,707	2.50	-2.57
Surplus/(Deficit)	6,190	3,880	(6,681)	(10,594)	136.63	36.93
Transfers recognised - capital	26,621	24,980	26,084	25,497	2.03	-2.30
Contributed assets	11,560	0	0	27,281	100.00	100.00
Fair value adjustment	0	0	0	0	0.00	0.00
Surplus/(Deficit)	44,371	28,860	19,403	42,184	31.59	54.00
Capital expenditure & funds sources						
Capital expenditure						
Transfers recognised - capital (incl Housing Development Fund)	26,251	24,980	26,084	25,497	2.03	-2.30
Public contributions & donations	0	0	0	0	0.00	0.00
Borrowing	0	0	0	0	0.00	0.00
Internally generated funds	9,572	4,790	4,393	4,275	-12.03	-2.76
Total sources of capital funds	35,823	29,770	30,478	29,773	0.01	-2.37

Description	2014/15		2015/16		2015/16 Variance	
	R'000				%	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget	Adjusted Budget
<b><u>Financial position</u></b>						
Total current assets	28,611	43,324	31,960	31,283	-38.49	-2.16
Total non-current assets	546,391	510,384	561,157	587,033	13.06	4.41
Total current liabilities	41,507	42,817	40,836	37,916	-12.93	-7.70
Total non-current liabilities	109,135	89,518	105,127	112,567	20.48	6.61
Community wealth/Equity	424,360	421,373	447,154	468,348	10.03	4.53
<b><u>Cash flows</u></b>						
Cash/cash equivalents at the year begin	2,699	1,804	10,733	10,733	83.20	0.00
Net cash from (used) operating	40,174	42,254	36,055	30,233	-39.76	-19.26
Net cash from (used) investing	(26,982)	(25,931)	(26,644)	(26,150)	0.84	-1.89
Net cash from (used) financing	(5,158)	(7,800)	(3,518)	(4,305)	-81.18	18.29
<b><u>Cash backing/surplus reconciliation</u></b>						
Cash and investments available	10,733	10,326	16,626	10,511	1.76	-58.18
Application of cash and investments	6,495	2,825	15,306	4,186	32.51	-265.67
Balance - surplus (shortfall)	4,238	7,501	1,320	6,325	-18.60	79.13
<b><u>Asset management</u></b>						
Asset register summary (WDV)	546,236	510,224	561,002	586,921	13.07	4.42
Depreciation & asset impairment	12,067	11,753	11,753	12,885	8.78	8.78
Renewal of Existing Assets	26,823	11,690	11,618	10,235	-14.22	-13.52
Repairs and Maintenance	8,495	9,852	10,193	8,272	-19.10	-23.22
<b><u>Free services</u></b>						
Cost of Free Basic Services provided	0	13,453	13,459	13,629	1.29	1.25
Revenue cost of free services provided	115	104	315	315	67.03	0.00
<b><u>Households below minimum service level</u></b>						
Water:	0	0	0	0	0.00	0.00
Sanitation/sewerage:	0	0	0	0	0.00	0.00
Energy:	11	12	12	12	0.00	0.00
Refuse:	0	0	0	0	0.00	0.00
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

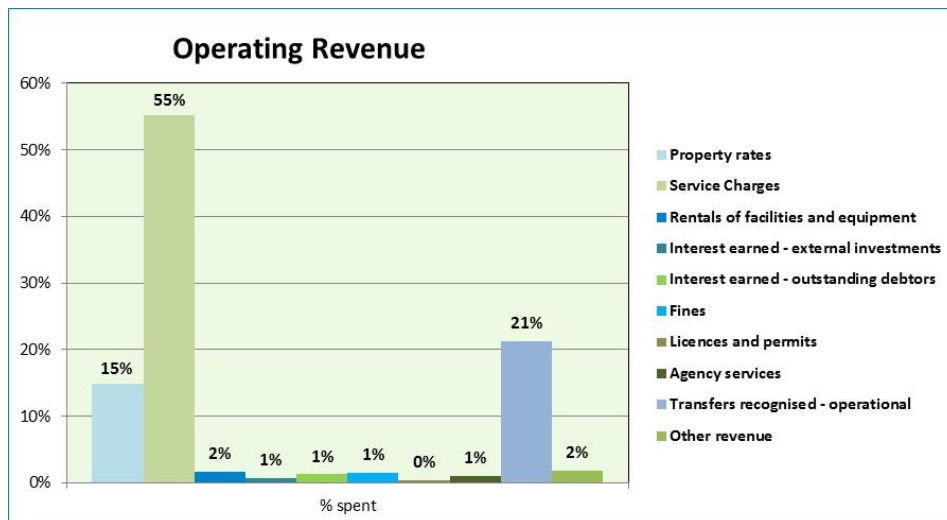
Tabel 164: Financial Performance

The table below shows a summary of performance against budgets:

Financial Year	Revenue				Operating expenditure			
	Budget	Actual	Diff.	%	Budget	Actual	Diff.	%
	R'000	R'000	R'000		R'000	R'000	R'000	
2014/15	260,182	271,030	10,848	4	225,489	226,659	1,170	1
2015/16	280,668	296,892	16,223	6	261,265	254,707	(6,558)	-3

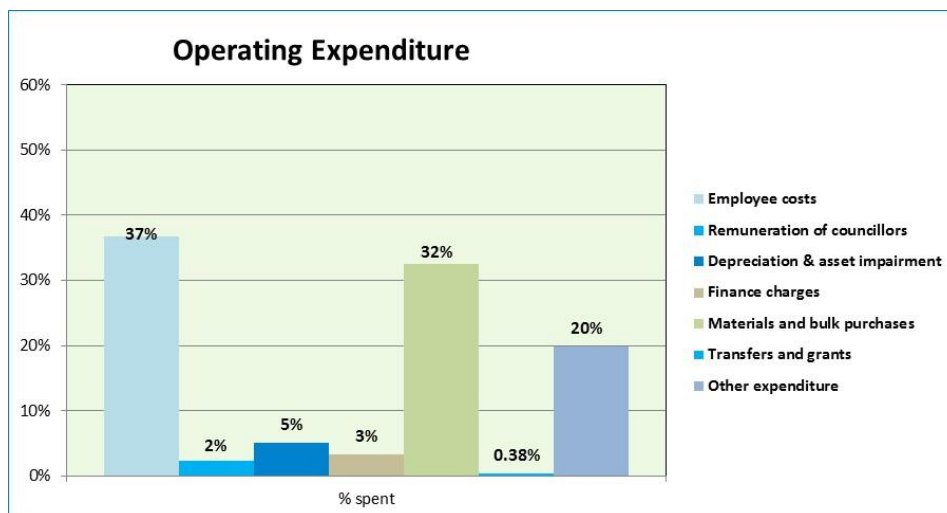
Tabel 165: Performance against budgets

The following graph indicates the various types of revenue items in the municipal budget for 2015/16



Graph 6.: Revenue

The following graph indicates the various types of operational expenditure items in the municipal budget for 2015/16



Graph 7.: Operating expenditure

### 5.1.1 Revenue collection by Vote

The table below indicates the revenue collection performance by vote:

Vote Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
	R'000					
Vote 1 - Executive & Council	12,029	0	0	27,281	100.00	100.00
Vote 2 - Finance	102,638	102,521	106,930	104,520	1.91	-2.31
Vote 3 - Corporate	3,084	1,077	1,613	2,127	49.39	24.17
Vote 4 - Community Services	31,497	31,999	32,896	33,281	3.85	1.16
Vote 5 - Public Works and Basic Services	120,372	135,529	134,039	128,105	-5.80	-4.63
Vote 6 - Development and Town planning Services	1,410	6,069	5,191	1,577	-284.84	-229.14
<b>Total Revenue by Vote</b>	<b>271,030</b>	<b>277,194</b>	<b>280,668</b>	<b>296,892</b>	<b>6.63</b>	<b>5.46</b>

Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.

Tabel 166: Revenue collection by Vote

### 5.1.2 Revenue collection by Source

The table below indicates the revenue collection performance by source for the 2015/16 financial year:

Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
	R'000					
Property rates	32,574	37,204	40,170	36,598	-1.65	-9.76
Property rates - penalties & collection charges	0	0	0	0	0.00	0.00
Service Charges	128,031	144,252	142,060	135,222	-6.68	-5.06
Rentals of facilities and equipment	3,243	4,468	3,642	3,983	-12.20	8.56
Interest earned - external investments	939	699	1,049	1,654	57.76	36.60
Interest earned - outstanding debtors	2,396	2,538	2,788	3,125	18.79	10.79
Dividends received	0	0	0	0	0.00	0.00
Fines	3,566	2,089	2,235	3,091	32.41	27.68
Licences and permits	1,125	1,829	1,915	1,122	-63.03	-70.66
VAT portion on DORA Grants	0	0	0	0	0.00	0.00
Agency services	2,417	2,708	2,708	2,628	-3.02	-3.02
Transfers recognised - operational	49,640	50,788	52,355	52,131	2.58	-0.43
Other revenue	8,918	1,801	1,824	4,559	60.50	59.99
Gains on disposal of PPE	0	3,839	3,839	0	0.00	0.00
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>232,849</b>	<b>252,214</b>	<b>254,584</b>	<b>244,113</b>	<b>-3.32</b>	<b>-4.29</b>
Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

**Tabel 167: Revenue collection by Source**

### 5.1.3 Operational Services Performance

The table below indicates the Operational services performance for the 2015/16 financial year:

Financial Performance of Operational Services						
R'000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
<b>Operating Cost</b>						
Water Services	1,754	2,299	347	(672)	442.21	151.66
Waste Water Services (Sanitation)	6,413	5,780	6,579	6,318	8.51	-4.13
Electricity Services	4,790	8,545	8,653	5,356	-59.53	-61.54
Waste Management Services	3,622	1,156	1,056	1,828	36.78	42.25
Housing	(232)	(406)	(287)	(287)	-41.38	0.24
<b>Component A: sub-total</b>	<b>16,347</b>	<b>17,374</b>	<b>16,348</b>	<b>12,544</b>	<b>-38.50</b>	<b>-30.33</b>
Roads and Stormwater	(14,040)	(15,529)	(15,678)	(16,244)	4.41	3.49

Financial Performance of Operational Services						
R'000						
Description	2014/15	2015/16			2015/16 Variance	
	Actual	Original Budget	Adjusted Budget	Actual	Original Budget %	Adjusted Budget %
<b>Component B: sub-total</b>	<b>(14,040)</b>	<b>(15,529)</b>	<b>(15,678)</b>	<b>(16,244)</b>	<b>4.41</b>	<b>3.49</b>
Planning	(2,121)	2,853	2,120	(2,461)	215.92	186.13
Local Economic Development	(2,053)	(3,177)	(2,955)	(2,595)	-22.44	-13.89
Tourism	(1,166)	(1,249)	(1,244)	(1,209)	-3.36	-2.94
<b>Component C: sub-total</b>	<b>(5,340)</b>	<b>(1,573)</b>	<b>(2,080)</b>	<b>(6,264)</b>	<b>74.88</b>	<b>66.80</b>
Libraries	203	42	33	1	-4133.24	-3178.17
Cemeteries	(568)	(102)	(43)	3	3340.48	1476.24
Child Care, Aged Care & Social Programmes	0	0	0	0	0.00	0.00
Community facilities and Thusong Centers	(5,018)	(5,890)	(5,642)	(5,631)	-4.59	-0.19
<b>Component D: sub-total</b>	<b>(5,383)</b>	<b>(5,950)</b>	<b>(5,653)</b>	<b>(5,627)</b>	<b>-5.73</b>	<b>-0.45</b>
Environmental Management	0	0	0	0	0.00	0.00
<b>Component E: sub-total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
Traffic services and Law Enforcement	(3,997)	(6,469)	(6,161)	(5,284)	-22.43	-16.60
Fire Services and Disaster Management	0	0	0	0	0.00	0.00
<b>Component F: sub-total</b>	<b>(3,997)</b>	<b>(6,469)</b>	<b>(6,161)</b>	<b>(5,284)</b>	<b>-22.43</b>	<b>-16.60</b>
Sport and Recreation	(2,657)	(2,487)	(3,511)	(3,247)	23.39	-8.13
<b>Component G: sub-total</b>	<b>(2,657)</b>	<b>(2,487)</b>	<b>(3,511)</b>	<b>(3,247)</b>	<b>23.39</b>	<b>-8.13</b>
Executive and Council	140	(13,774)	(14,566)	14,853	192.73	198.07
Financial Services	71,079	74,369	66,851	64,074	-16.07	-4.33
Corporate Services	(11,777)	(11,909)	(11,522)	(12,620)	5.64	8.70
<b>Component H: sub-total</b>	<b>59,443</b>	<b>48,686</b>	<b>40,763</b>	<b>66,307</b>	<b>26.58</b>	<b>38.52</b>
<b>Total Surplus</b>	<b>44,373</b>	<b>34,051</b>	<b>24,029</b>	<b>42,184</b>	<b>19.28</b>	<b>43.04</b>
In this table operational income (but not levies or tariffs) is offset against operational expenditure leaving a net operational expenditure total for each service. Variances are calculated by dividing the difference between actual and original/adjustments budget by the actual.						

**Tabel 168: Operational Services Performance**

## 5.2 Financial Performance per Municipal Function

### 5.2.1 Water Services

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>17,988</b>	<b>20,032</b>	<b>17,532</b>	<b>15,499</b>	<b>-29.24</b>
<b>Expenditure:</b>					
Employees	5,080	6,083	5,979	5,913	-2.88
Repairs and Maintenance	2,088	0	1,708	1,529	100.00
Other	9,065	11,651	9,498	8,730	-33.46
<b>Total Operational Expenditure</b>	<b>16,234</b>	<b>17,733</b>	<b>17,185</b>	<b>16,171</b>	<b>-9.66</b>
<b>Net Operational (Service) Expenditure</b>	<b>1,754</b>	<b>2,299</b>	<b>347</b>	<b>(672)</b>	<b>442.21</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 169: Financial Performance: Water services

### 5.2.2 Waste Water (Sanitation)

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>15,796</b>	<b>16,705</b>	<b>17,650</b>	<b>16,889</b>	<b>1.09</b>
<b>Expenditure:</b>					
Employees	3,757	3,974	4,102	4,158	4.44
Repairs and Maintenance	677	1,020	1,120	671	-51.93
Other	4,950	5,932	5,850	5,742	-3.31
<b>Total Operational Expenditure</b>	<b>9,384</b>	<b>10,925</b>	<b>11,071</b>	<b>10,571</b>	<b>-3.35</b>
<b>Net Operational (Service) Expenditure</b>	<b>6,413</b>	<b>5,780</b>	<b>6,579</b>	<b>6,318</b>	<b>8.51</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 170: Financial Performance: Waste Water (Sanitation) services

## 5.2.3 Electricity

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>85,284</b>	<b>97,686</b>	<b>97,740</b>	<b>94,643</b>	<b>-3.22</b>
<b>Expenditure:</b>					
Employees	6,024	6,888	6,704	6,449	-6.81
Repairs and Maintenance	1,354	1,412	1,095	1,012	-39.49
Other	73,115	80,841	81,288	81,826	1.20
<b>Total Operational Expenditure</b>	<b>80,494</b>	<b>89,141</b>	<b>89,087</b>	<b>89,287</b>	<b>0.16</b>
<b>Net Operational (Service) Expenditure</b>	<b>4,790</b>	<b>8,545</b>	<b>8,653</b>	<b>5,356</b>	<b>-59.53</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 171: Financial Performance: Electricity

## 5.2.4 Waste Management

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>15,392</b>	<b>16,315</b>	<b>17,043</b>	<b>16,537</b>	<b>1.34</b>
<b>Expenditure:</b>					
Employees	8,934	9,958	10,047	10,852	8.24
Repairs and Maintenance	766	1,010	1,074	756	-33.58
Other	2,069	4,191	4,866	3,100	-35.18
<b>Total Operational Expenditure</b>	<b>11,770</b>	<b>15,159</b>	<b>15,987</b>	<b>14,708</b>	<b>-3.06</b>
<b>Net Operational (Service) Expenditure</b>	<b>3,622</b>	<b>1,156</b>	<b>1,056</b>	<b>1,828</b>	<b>36.78</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 172: Financial Performance: Waste Management

### 5.2.5 Housing

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>284</b>	<b>309</b>	<b>289</b>	<b>288</b>	<b>-7.36</b>
<b>Expenditure:</b>					
Employees	471	665	513	534	-24.66
Repairs and Maintenance	–	5	7	7	29.87
Other	45	45	56	34	-31.64
<b>Total Operational Expenditure</b>	<b>516</b>	<b>715</b>	<b>575</b>	<b>575</b>	<b>-24.37</b>
<b>Net Operational (Service) Expenditure</b>	<b>(232)</b>	<b>(406)</b>	<b>(287)</b>	<b>(287)</b>	<b>-41.38</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Tabel 173: Financial Performance: Housing**

### 5.2.6 Roads and Stormwater

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>5,493</b>	<b>5,591</b>	<b>5,658</b>	<b>5,484</b>	<b>-1.95</b>
<b>Expenditure:</b>					
Employees	11,992	13,487	13,674	13,690	1.48
Repairs and Maintenance	1,489	1,581	1,608	1,660	4.80
Other	6,052	6,052	6,054	6,378	5.12
<b>Total Operational Expenditure</b>	<b>19,533</b>	<b>21,120</b>	<b>21,336</b>	<b>21,729</b>	<b>2.80</b>
<b>Net Operational (Service) Expenditure</b>	<b>(14,040)</b>	<b>(15,529)</b>	<b>(15,678)</b>	<b>(16,244)</b>	<b>4.41</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

**Tabel 174: Financial Performance: Roads and Stormwater**



## 5.2.7 Planning

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>424</b>	<b>5,669</b>	<b>5,078</b>	<b>440</b>	<b>-1189.48</b>
<b>Expenditure:</b>					
Employees	2,385	2,604	2,746	2,763	5.78
Repairs and Maintenance	0	0	0	0	0.00
Other	160	212	212	137	-54.80
<b>Total Operational Expenditure</b>	<b>2,545</b>	<b>2,816</b>	<b>2,959</b>	<b>2,901</b>	<b>2.91</b>
<b>Net Operational (Service) Expenditure</b>	<b>(2,121)</b>	<b>2,853</b>	<b>2,120</b>	<b>(2,461)</b>	<b>215.92</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 175: Financial Performance: Planning

## 5.2.8 LED

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>137</b>	<b>400</b>	<b>112</b>	<b>0</b>	<b>#DIV/0!</b>
<b>Expenditure:</b>					
Employees	1,765	2,349	2,341	2,137	-9.92
Repairs and Maintenance	10	10	13	12	11.16
Other	415	1,218	713	446	-172.99
<b>Total Operational Expenditure</b>	<b>2,190</b>	<b>3,577</b>	<b>3,067</b>	<b>2,595</b>	<b>-37.86</b>
<b>Net Operational (Service) Expenditure</b>	<b>(2,053)</b>	<b>(3,177)</b>	<b>(2,955)</b>	<b>(2,595)</b>	<b>-22.44</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 176: Financial Performance: LED

## 5.2.9 Tourism

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>Expenditure:</b>					
Employees	351	386	386	383	-0.66
Repairs and Maintenance	0	0	0	0	0.00
Other	816	863	859	826	-4.58
<b>Total Operational Expenditure</b>	<b>1,166</b>	<b>1,249</b>	<b>1,244</b>	<b>1,209</b>	<b>-3.36</b>
<b>Net Operational (Service) Expenditure</b>	<b>(1,166)</b>	<b>(1,249)</b>	<b>(1,244)</b>	<b>(1,209)</b>	<b>-3.36</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 177: Financial Performance: Tourism

## 5.2.10 Libraries

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>5,162</b>	<b>5,425</b>	<b>5,437</b>	<b>5,448</b>	<b>0.42</b>
<b>Expenditure:</b>					
Employees	4,040	4,672	4,662	4,767	2.00
Repairs and Maintenance	148	110	110	96	-14.87
Other	771	602	633	584	-2.94
<b>Total Operational Expenditure</b>	<b>4,959</b>	<b>5,383</b>	<b>5,404</b>	<b>5,447</b>	<b>1.18</b>
<b>Net Operational (Service) Expenditure</b>	<b>203</b>	<b>42</b>	<b>33</b>	<b>1</b>	<b>-4133.24</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 178: Financial Performance: Libraries

### 5.2.11 Cemeteries

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>455</b>	<b>353</b>	<b>402</b>	<b>442</b>	<b>20.07</b>
<b>Expenditure:</b>					
Employees	563	11	11	12	2.26
Repairs and Maintenance	457	442	432	427	-3.37
Other	2	2	2	0	0.00
<b>Total Operational Expenditure</b>	<b>1,023</b>	<b>455</b>	<b>445</b>	<b>439</b>	<b>-3.68</b>
<b>Net Operational (Service) Expenditure</b>	<b>(568)</b>	<b>(102)</b>	<b>(43)</b>	<b>3</b>	<b>3340.48</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 179: Financial Performance: Cemeteries

### 5.2.12 Community Facilities and Thusong Centre

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>297</b>	<b>277</b>	<b>549</b>	<b>621</b>	<b>55.51</b>
<b>Expenditure:</b>					
Employees	4,422	5,124	4,985	5,255	2.50
Repairs and Maintenance	86	105	92	204	48.62
Other	808	938	1,115	794	-18.20
<b>Total Operational Expenditure</b>	<b>5,316</b>	<b>6,166</b>	<b>6,191</b>	<b>6,253</b>	<b>1.38</b>
<b>Net Operational (Service) Expenditure</b>	<b>(5,018)</b>	<b>(5,890)</b>	<b>(5,642)</b>	<b>(5,631)</b>	<b>-4.59</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 180: Financial Performance: Community Facilities and Thusong Centre

## 5.2.13 Traffic Services and Law Enforcement

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>3,545</b>	<b>2,029</b>	<b>2,186</b>	<b>3,074</b>	<b>33.99</b>
<b>Expenditure:</b>					
Employees	5,479	6,631	6,488	6,203	-6.90
Repairs and Maintenance	177	237	224	240	1.21
Other	1,886	1,630	1,635	1,915	14.88
<b>Total Operational Expenditure</b>	<b>7,542</b>	<b>8,498</b>	<b>8,347</b>	<b>8,357</b>	<b>-1.68</b>
<b>Net Operational (Service) Expenditure</b>	<b>(3,997)</b>	<b>(6,469)</b>	<b>(6,161)</b>	<b>(5,284)</b>	<b>-22.43</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 181: Financial Performance: Traffic Services and Law Enforcement

## 5.2.14 Sport and Recreation

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>2,174</b>	<b>2,801</b>	<b>2,444</b>	<b>2,461</b>	<b>-13.83</b>
<b>Expenditure:</b>					
Employees	3,511	3,643	4,078	4,204	13.35
Repairs and Maintenance	446	600	787	542	-10.52
Other	873	1,046	1,090	961	-8.82
<b>Total Operational Expenditure</b>	<b>4,831</b>	<b>5,288</b>	<b>5,955</b>	<b>5,708</b>	<b>7.34</b>
<b>Net Operational (Service) Expenditure</b>	<b>(2,657)</b>	<b>(2,487)</b>	<b>(3,511)</b>	<b>(3,247)</b>	<b>23.39</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 182: Financial Performance: Sport and Recreation

5.2.15 Executive and Council

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>12,029</b>	<b>5</b>	<b>5</b>	<b>27,281</b>	<b>99.98</b>
<b>Expenditure:</b>					
<b>Employees</b>	4,483	5,165	5,532	4,321	-19.54
Repairs and Maintenance	33	46	56	38	-20.20
Other	7,373	8,569	8,984	8,069	-6.19
<b>Total Operational Expenditure</b>	<b>11,889</b>	<b>13,779</b>	<b>14,571</b>	<b>12,428</b>	<b>-10.87</b>
<b>Net Operational (Service) Expenditure</b>	<b>140</b>	<b>(13,774)</b>	<b>(14,566)</b>	<b>14,853</b>	<b>192.73</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 183: Financial Performance: Executive and Council

5.2.16 Finance

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>102,697</b>	<b>102,521</b>	<b>106,930</b>	<b>104,627</b>	<b>2.01</b>
<b>Expenditure:</b>					
Employees	11,277	12,712	12,634	14,162	10.24
Repairs and Maintenance	811	848	963	686	-23.56
Other	19,530	14,592	26,481	25,704	43.23
<b>Total Operational Expenditure</b>	<b>31,618</b>	<b>28,152</b>	<b>40,079</b>	<b>40,553</b>	<b>30.58</b>
<b>Net Operational (Service) Expenditure</b>	<b>71,079</b>	<b>74,369</b>	<b>66,851</b>	<b>64,074</b>	<b>-16.07</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 184: Financial Performance: Finance

## 5.2.17 Corporate Services

Description	2014/15	2015/16			
	Actual	Original Budget	Adjusted Budget	Actual	Variance to Budget
	R'000				%
<b>Total Operational Revenue</b>	<b>3,872</b>	<b>6,267</b>	<b>6,239</b>	<b>3,158</b>	<b>-98.45</b>
<b>Expenditure:</b>					
Employees	6,829	8,406	7,811	7,728	-8.76
Repairs and Maintenance	318	520	659	391	-33.01
Other	8,503	9,251	9,290	7,659	-20.78
<b>Total Operational Expenditure</b>	<b>15,649</b>	<b>18,176</b>	<b>17,760</b>	<b>15,778</b>	<b>-15.20</b>
<b>Net Operational (Service) Expenditure</b>	<b>(11,777)</b>	<b>(11,909)</b>	<b>(11,522)</b>	<b>(12,620)</b>	<b>5.64</b>
<i>Variances are calculated by dividing the difference between the actual and original budget by the actual.</i>					

Tabel 185: Financial Performance: Corporate Services

## 5.3 Grants

## 5.3.1 Grant Performance

The performance in the spending of grants is summarised as follows:

Description	2014/15		2015/16		2015/16 Variance	
	Actual (Audited Outcome)	Budget	Adjustments Budget	Actual	Original Budget	Adjustments Budget
	R'000			%		
<b>National Government:</b>	<b>43,411</b>	<b>44,751</b>	<b>44,751</b>	<b>44,751</b>	<b>0.00</b>	<b>0.00</b>
Equitable share	39,922	41,409	41,409	41,409	0.00	0.00
Municipal Systems Improvement	838	892	892	892	-0.03	-0.03
Finance Management Grant	1,450	1,450	1,450	1,450	0.00	0.00
Expanded Public Works Programme	1,201	1,000	1,000	1,000	0.00	0.00
<b>Provincial Government:</b>	<b>6,734</b>	<b>5,599</b>	<b>7,498</b>	<b>7,435</b>	<b>32.80</b>	<b>-0.84</b>
Community Development Workers	0	144	144	144	0.00	0.00
Thusong Service Centres Grant (Sustainability: Operational Support Grant)	0	0	132	132	0.00	0.00
Maintenance of Proclaimed Roads	46	59	59	59	0.00	0.00
Provincial Library Services: Conditional Grant	5,090	5,396	5,396	5,406	0.19	0.19
Municipal Capacity Building	500	0	500	500	100.00	0.00
WC FMSG	990	0	1,155	782	100.00	-32.27
Municipal Infrastructure Support Grant	8	0	0	300	100.00	100.00
Municipal Support: IDP related project	0	0	112	112	100.00	0.00
Municipal Performance Management Grant	100	0	0	0	0.00	0.00
<b>Total Operating Transfers and Grants</b>	<b>50,145</b>	<b>50,350</b>	<b>52,250</b>	<b>52,187</b>	<b>3.65</b>	<b>-0.12</b>

Tabel 186: Grant Performance for 2015/16

## 5.3.2 Conditional Grants (Excluding MIG)

Details	2015/16			2015/16 Variance	
	Budget	Adjustments Budget	Actual	Budget	Adjustments Budget
	R'000			%	
Municipal Systems Improvement Grant	930	930	930	-0.02	-0.02
Finance Management Support Grant	0	1,455	782	0.00	-46.24
Municipal Infrastructure Grant	20,716	20,716	20,716	0.00	0.00
Expanded Public Works Programme	1,000	1,000	1,000	0.00	0.00
Public Transport infrastructure	59	59	59	0.00	0.00
Library Subsidy	5,660	5,660	5,660	0.00	0.00
DWAF	1,500	1,500	1,500	0.00	0.00
Finance Management Grant	1,450	1,450	1,450	0.00	0.00
Department of Minerals and Energy	2,500	2,500	2,500	0.00	0.00
Department of Sport and Recreation	0	417	417	100.00	0.00
Equitable share: Councillors Remuneration	6,150	6,094	5,908	-3.94	-3.05
Equitable share	35,259	35,315	35,501	0.69	0.53
Thsong Services Centres Operational Grant	0	200	200	100.00	0.00
Financial Support for IDP Related Projects	0	200	62	100.00	-68.98
CDW	144	144	144	0.00	0.00
Municipal Capacity Building Grant	0	500	500	100.00	0.00
Municipal Infrastructure Support Grant	0	300	300	100.00	0.00
<b>Total</b>	<b>75,368</b>	<b>78,440</b>	<b>77,628</b>	<b>3.00</b>	<b>-1.03</b>

Tabel 187: Conditional Grant (excl. MIG)

## 5.3.3 Level of Reliance on Grants &amp; Subsidies

Financial year	Total grants and subsidies received	Total Operating Revenue	Percentage
	R'000	R'000	%
2014/15	76,261	271,030	28.14
2015/16	77,628	297,420	26.10

Tabel 188: Reliance on grants

## 5.4 Asset Management

The three main projects undertaken were all in aid of providing the required infrastructure to support housing development.

### 5.4.1 Treatment of the Three Largest Assets

Asset 1		
Name	2 ML Raw water dam Klawer WTW	
Description	Infrastructure: Water	
Asset Type	Bulk water infrastructure	
Asset Value as at 30 June 2015	2014/15 (R'000)	2015/16 (R'000)
	0	6,900
Future Purpose of Asset	Supply water to consumer	
Asset 2		
Name	Upgrading Alpha Street Klawer	
Description	Infrastructure: Road Transport	
Asset Type	Road infrastructure	
Asset Value as at 30 June 2015	2014/15 (R'000)	2015/16 (R'000)
	0	6,840
Future Purpose of Asset	Transportation	
Asset 3		
Name	Upgrading Klawer WWTW	
Description	Infrastructure: Sanitation	
Asset Type	Bulk sanitation infrastructure	
Asset Value as at 30 June 2015	2014/15 (R'000)	2015/16 (R'000)
	12,163	3,000
Future Purpose of Asset	Sanitation	

Tabel 189: Treatment of the Three Largest Assets

## 5.5 Financial Ratios Based on Key Performance Indicators

### 5.5.1 Liquidity Ratio

Description	Basis of calculation	2014/15	2015/16
Current Ratio	Current assets/current liabilities	0.69:1	0.84:1
Liquidity Ratio	Monetary Assets/Current Liabilities	0.26:1	0.27:1

Tabel 190: Liquidity Financial Ratio



## 5.5.2 IDP Regulation Financial Viability Indicators

Description	Basis of calculation	2014/15	2015/16
Cost Coverage	(Available cash + Investments)/monthly fixed operational expenditure	0.55	0.30
Total Outstanding Service Debtors to Revenue	Total outstanding service debtors/annual revenue received for services	37.90%	20.00%
Debt coverage	(Total Operating Revenue - Operating Grants)/Debt service payments due within financial year)	25.22	32.50

Tabel 191: Financial Viability National KPAs

## 5.5.3 Borrowing Management

Description	Basis of calculation	2014/15	2015/16
Capital Charges to Operating Expenditure	Interest & Principal Paid /Operating Expenditure	0.04	0.03

Tabel 192: Borrowing Management

## 5.5.4 Employee costs

Description	Basis of calculation	2014/15	2015/16
Employee costs	Employee costs/(Total Revenue - capital revenue)	33.29%	34.46%

Tabel 193: Employee Costs

## COMPONENT B: SPENDING AGAINST CAPITAL BUDGET

## 5.6 Sources of Finance

The table below indicates the capital expenditure by funding source for the 2014/15 financial year:

Details	2014/15	2015/16				
	Actual	Original Budget (OB)	Adjusted Budget	Actual	Adjusted to OB Variance	Actual to OB Variance
	R' 000				%	
Source of finance						
External loans	0	0	0	0	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	26,251	24,980	26,084	25,497	4.42	-2.35
Own funding	9,572	4,790	4,393	4,275	-8.28	-2.46
Total	35,823	29,770	30,478	29,773	2.38	-2.37
Percentage of finance						
External loans	0	0	0	0	0.00	0.00
Public contributions and donations	0	0	0	0	0.00	0.00
Grants and subsidies	73	70	73	71	4.42	-2.35
Own funding	27	16	14	14	-10.41	-0.34
Capital expenditure						

Details	2014/15	2015/16				
	Actual	Original Budget (OB)	Adjusted Budget	Actual	Adjusted to OB Variance	Actual to OB Variance
	R' 000				%	
Water and sanitation	12,358	12,940	13,760	12,458	6.34	-10.07
Electricity	1,507	2,700	3,300	2,425	22.22	-32.41
Housing	0	350	0	0	-100.00	0.00
Roads and stormwater	7,557	9,739	8,469	7,418	-13.04	-10.79
Other	14,402	4,041	4,949	7,473	22.47	62.45
<b>Total</b>	<b>35,823</b>	<b>29,770</b>	<b>30,478</b>	<b>29,773</b>	<b>2.38</b>	<b>-2.37</b>
<b>Percentage of expenditure</b>						
Water and sanitation	34	43	45	42	3.87	-7.61
Electricity	4	9	11	8	19.38	-29.58
Housing	0	1	0	0	-100.00	0.00
Roads and stormwater	21	33	28	25	-15.06	-8.78
Other	40	14	16	25	19.62	65.28

Tabel 194: Capital Expenditure by funding source

## 5.7 Capital Spending on 5 Largest Projects

Projects with the highest capital expenditure in 2015/16 were as follow:

Name of Project	Current Year: 2015/16			Variance Current Year: 2015/16	
	Original Budget	Adjustment Budget	Actual Expenditure	Original Variance	Adjustment variance
	R'000			%	
2ML Raw water dam Klawer WTW	6,900	6,900	6,053	-12.28	-12.28
Upgrading of Alpha Street Klawer	7,700	6,840	6,000	-22.08	-12.28
Klawer upgrading WWTW	3,000	3,000	2,632	-12.28	-12.28
Refuse compactor	1,800	1,850	1,850	2.77	-0.01
Vredendal North:connections: 280 households	1,500	1,500	1,316	-12.28	-12.28

Tabel 195: Capital Expenditure on the 5 Largest Projects

Name of Project - A	2 ML Rou water dam Klawer WTW
Objective of Project	To promote access to adequate, affordable and well maintained municipal basic services
Delays	None
Future Challenges	None
Anticipated citizen benefits	None

Tabel 196: 2 ML Rou water dam Klawer WTW

Name of Project - B	Upgrading of Alpha Street Klawer
Objective of Project	To facilitate the development of an environment that maximise the social well-being of the citizens of the Matzikama especially the poorest of the poor and other vulnerable groups
Delays	None
Future Challenges	None
Anticipated citizen benefits	None

**Tabel 197: Upgrading of Alpha Street Klawer**

Name of Project - C	Upgrading Klawer Waste Water Treatment Works
Objective of Project	To create capacity at the WWTW
Delays	None
Future Challenges	None
Anticipated citizen benefits	Housing developments approved

**Tabel 198: Vredendal North: Upgrading Klawer Waste Water Treatment Works**

Name of Project - D	Refuse compactor
Objective of Project	To promote access to adequate, affordable and well maintained municipal basic services
Delays	None
Future Challenges	None
Anticipated citizen benefits	Good quality municipal basic services

**Tabel 199: Refuse compactor**

Name of Project - E	Vredendal North: Connections to 280 households
Objective of Project	To electrify newly build houses
Delays	None
Future Challenges	None
Anticipated citizen benefits	Electrified houses

**Tabel 200: Vredendal North: Connections to 280 households**

## 5.8 Basic Service and Infrastructure Backlogs – Overview

### 5.8.1 Municipal Infrastructure Grant (MIG)

This grant is intended to provide specific capital finance for basic municipal infrastructure.

Details	Budget	Adjustments Budget	Actual	Variance
				Original Budget
Water Reticulation	7,380	7,380	7,380	0
Roads, Pavements & Bridges	8,529	8,529	7,669	-0.10
Reticulation	3,610	3,610	4,470	0.24
Sport and recreation facilities	1,197	1,197	1,197	0
<b>Total</b>	<b>20,716</b>	<b>20,716</b>	<b>20,716</b>	<b>0</b>

**Tabel 201: Municipal Infrastructure Grant (MIG)**

## COMPONENT C: CASH FLOW MANAGEMENT AND INVESTMENTS

## 5.9 Cash Flow

R'000				
Description	2014/15	2015/16		
	Audited Outcome	Original Budget	Adjusted Budget	Actual
Cash flow from operating activities				
Receipts				
Ratepayers and other	32,574	34,731	36,956	36,598
Government - operating	128,031	134,667	130,695	119,688
Government - capital	72,214	75,768	78,440	76,933
Interest	3,336	3,068	3,475	4,779
Dividends	(462)	11,900	11,309	15,804
Payments				
Suppliers and employees	(190,821)	(213,531)	(220,520)	(219,223)
Finance charges	(3,768)	(3,375)	(3,326)	(3,389)
Transfers and Grants	(928)	(975)	(975)	(957)
Net cash from/(used) operating activities	40,174	42,254	36,055	30,233
Cash flows from investing activities				
Receipts				
Proceeds on disposal of PPE	0	3,839	3,839	690
Decrease (Increase) in non-current debtors	551	0	0	158
Decrease (increase) other non-current receivables	0	0	(5)	0
Decrease (increase) in non-current investments	0	0	0	0
Payments				
Capital assets	(27,533)	(29,770)	(30,478)	(26,998)
Net cash from/(used) investing activities	(26,982)	(25,931)	(26,644)	(26,150)
Cash flows from financing activities				
Receipts				
Short term loans	0	0	0	0
Increase (decrease) in consumer deposits	869	229	922	156
Payments				
Repayment of borrowing	(6,028)	(8,029)	(4,439)	(4,462)
Net cash from/(used) financing activities	(5,158)	(7,800)	(3,518)	(4,305)
Net increase/ (decrease) in cash held	8,034	8,522	5,893	(222)
Cash/cash equivalents at the year begin:	2,699	1,804	10,733	10,733
Cash/cash equivalents at the yearend:	10,733	10,326	16,626	10,511

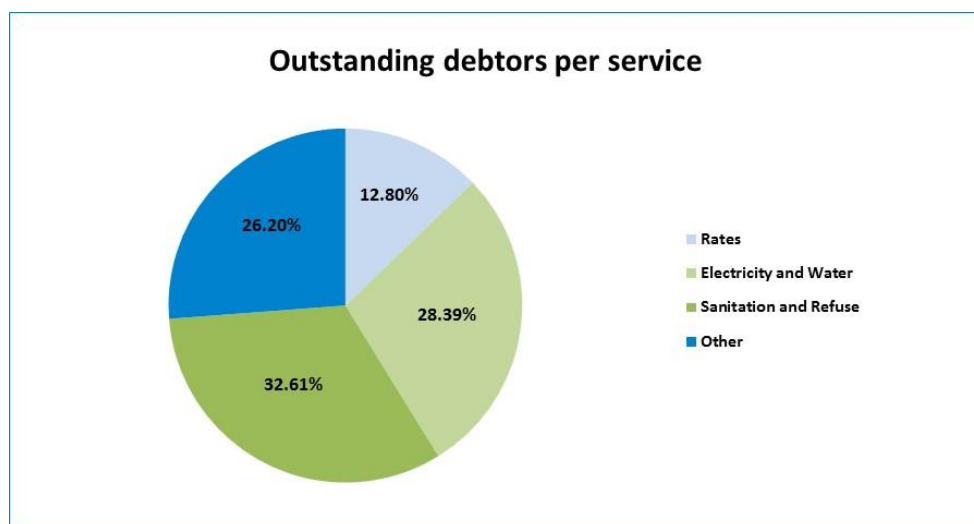
Tabel 202: Cashflow

### 5.10 Gross Outstanding Debtors per Service

Financial year	Rates	Trading services	Economic services	Other	Total
		(Electricity and Water)	(Sanitation and Refuse)		
	R'000				
2014/15	6,606	15,630	18,527	14,362	55,125
2015/16	7,420	16,466	18,913	15,192	57,991
Difference	814	836	386	830	2,867
% growth year on year	12	5	2	6	5
Note: Figures exclude provision for bad debt.					

**Tabel 203:** Gross outstanding debtors per service

The following graph indicates the total outstanding debt per type of service for 2015/16



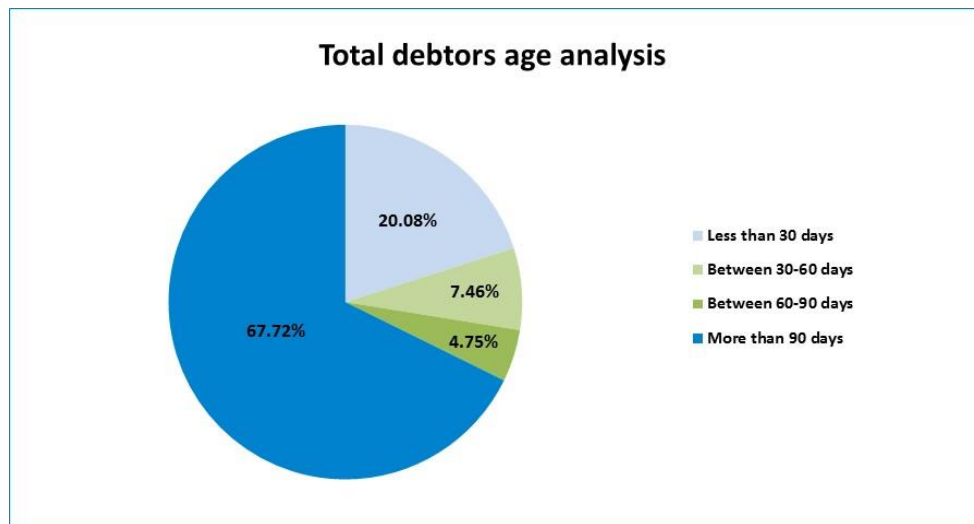
**Graph 8.:** Outstanding debtors per service

### 5.11 Total Debtors Age Analysis

Financial year	Less than 30 days	Between 30-60 days	Between 60-90 days	More than 90 days	Total
	R'000	R'000	R'000	R'000	R'000
2014/15	10,744	4,038	2,246	38,097	55,125
2015/16	11,643	4,323	2,753	39,272	57,991
Difference	899	285	507	1,175	2,866
% growth year on year	8	7	23	3	5

*Note: Figures exclude provision for bad debt.*

**Tabel 204:** Service debtor age analysis



Graph 9.: Total debtors age analysis

## 5.12 Borrowing and Investments

### 5.12.1 Borrowings

R'000		
Instrument	2014/15	2015/16
Long-Term Loans (annuity/reducing balance)	34,514	30,053

Tabel 205: Actual Borrowings

### 5.12.2 Investments

R'000		
Instrument	2014/15	2015/16
Bank deposits	0	1,604

Tabel 206: Actual Borrowings

### 5.12.2 Grants made by the Municipality

Organisation/Description	Nature of project	Conditions attached to funding	Value 2015/16
			R'000
Life guards	Strandfontein Lifesavers	Strandfontein Lifesavers	124
Poverty Alleviation	Indigent Support	Indigent burials.etc	5
Tourism	Contribution to Tourism Council	Tourism activities	824
Sport Development	Sport Development	Sport Development	4

Tabel 207: Grants made by the Municipality

## COMPONENT D: OTHER FINANCIAL MATTERS

### 5.13 Supply Chain Management

The municipality complies fully with the guidelines of the SCM Regulations of 2005. No Councillors are members of any committee handling Supply Chain Management processes.

## CHAPTER 6

## 6.1 INTRODUCTION

Our Constitution, Section 188 (1) (b) states that the functions of the Auditor-General include the auditing and reporting on the accounts, financial statements and financial management of all municipalities. The responsibility of the Auditor-General is to perform an audit to obtain reasonable assurance whether the annual financial statements reflect in all material aspects financial position and the state of financial affairs in the required formats and to express an opinion based on the audit conducted in accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA), the *General Notice* issued in terms thereof and International Standards on Auditing.

The Municipal System Act section 45 states that the results of performance measurement must be audited annually by the Auditor-General. The reported performance against predetermined objectives is evaluated against the overall criteria of usefulness and reliability. The usefulness of information relates to whether the reported performance is consistent with the planned development priorities or objectives and if indicators and targets are measurable (i.e. well defined, verifiable, specific, measurable and time bound) and relevant as required by the *National Treasury Framework for managing programme performance information*.

## COMPONENT A: AUDITOR-GENERAL OPINION 2014/15

## 6.2 Auditor General Report 2014/15

## 6.2.1 Financial performance for 2014/15

Auditor-General Report on Financial Performance 2014/15	
<b>Audit Report Status:</b>	Financially unqualified with no other matters ( Clean Audit Opinion)

Tabel 208: Financial performance for 2014/15

## 6.2.2 Service Delivery Performance 2014/15

The Auditor-General in its audit report did not find any material findings on the annual performance report concerning the usefulness and reliability of the information. The Auditor-General, furthermore, did not include any matters in the audit report that have an impact on the audit findings on predetermined objectives reported.

## COMPONENT B: AUDITOR-GENERAL OPINION 2015/16

## 6.3 Auditor General Report 2015/16

## 6.3.1 Financial performance for 2015/16

Auditor-General Report on Financial Performance 2015/16	
<b>Audit Report Status:</b>	Financially unqualified with no other matters ( Clean Audit Opinion)

Tabel 209: Financial performance for 2015/16

**6.3.2    *Service Delivery Performance 2015/16***

The Auditor-General in its audit report did not find any material findings on the annual performance report concerning the usefulness and reliability of the information. The Auditor-General, furthermore, did not include any matters in the audit report that have an impact on the audit findings on predetermined objectives reported.



**LIST OF ABBREVIATIONS**

<b>AG</b>	Auditor-General
<b>AFS</b>	Annual Financial Statements
<b>CAPEX</b>	Capital Expenditure
<b>CBP</b>	Community Based Planning
<b>CFO</b>	Chief Financial Officer
<b>CMTF</b>	Council Meets The People
<b>COGHSTA</b>	Department of Cooperative Governance, Human settlements and Traditional Affairs
<b>DPLG</b>	Department of Provincial and Local Government
<b>DWA</b>	Department of Water Affairs
<b>EE</b>	Employment Equity
<b>EPWP</b>	Extended Public Works Programme
<b>EXCO</b>	Executive Committee
<b>FBS</b>	Free Basic Services
<b>GAMAP</b>	Generally Accepted Municipal Accounting Practice
<b>GRAP</b>	Generally Recognised Accounting Practice
<b>HR</b>	Human Resources
<b>IDP</b>	Integrated Development Plan
<b>IFRS</b>	International Financial Reporting Standards
<b>IMFO</b>	Institute for Municipal Finance Officers
<b>KPA</b>	Key Performance Area
<b>KPI</b>	Key Performance Indicator
<b>LED</b>	Local Economic Development
<b>MAYCOM</b>	Executive Mayoral Committee
<b>MFMA</b>	Municipal Finance Management Act (Act No. 56 of 2003)
<b>MIG</b>	Municipal Infrastructure Grant
<b>MM</b>	Municipal Manager
<b>MMC</b>	Member of Mayoral Committee
<b>MSA</b>	Municipal Systems Act No. 32 of 2000
<b>MTECH</b>	Medium Term Expenditure Committee
<b>NCOP</b>	National Council of Provinces
<b>NERSA</b>	National Energy Regulator South Africa
<b>NGO</b>	Non-governmental organisation
<b>NT</b>	National Treasury
<b>OPEX</b>	Operating expenditure
<b>PMS</b>	Performance Management System
<b>PT</b>	Provincial Treasury

<b>SALGA</b>	South African Local Government Association
<b>SAMDI</b>	South African Management Development Institute
<b>SCM</b>	Supply Chain Management
<b>SDBIP</b>	Service Delivery and Budget Implementation Plan
<b>SDF</b>	Spatial Development Framework

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# **ANNEXURE A**

# **Matzikama**

**MUNICIPALITY**



**AUDITED ANNUAL FINANCIAL STATEMENTS**

**30 JUNE 2016**

# MATZIKAMA MUNICIPALITY

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# MATZIKAMA MUNICIPALITY

## FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

### GENERAL INFORMATION

#### NATURE OF BUSINESS

Matzikama Municipality is a local municipality performing the functions as set out in the Constitution of the Republic of South Africa.

#### COUNTRY OF ORIGIN AND LEGAL FORM

South African Category B Municipality (Local Municipality) as defined by the Municipal Structures Act. (Act no 117 of 1998) and are classified as a medium capacity municipality.

#### JURISDICTION

The Matzikama Municipality includes the following areas:

*Vredendal  
Vanrhynsdorp  
Klawer  
Koekenaap  
Lutzville  
Ebenhaezer  
Strandfontein  
Doringbaai  
Bitterfontein  
Nuwerus  
Stofkraal  
Molsvlei  
Rietpoort  
Kliprand*

#### MEMBERS OF THE MAYORAL COMMITTEE

Executive Mayor	<i>PG BOK</i>
Deputy Executive Mayor	<i>MC WITBOOI ( FROM AUGUST 2015)</i>
Executive Councillor	<i>F BAM</i>
Executive Councillor	<i>J BOTHA</i>
Executive Councillor	<i>W FORTUIN</i>
Speaker	<i>WH NELL</i>
Councillor	<i>C VAN DER WESTRUIS</i>
Councillor	<i>R STEPHAN</i>
Councillor	<i>Y CLOETE</i>
Councillor	<i>A SINDYAMBA</i>
Councillor	<i>AGM JULIES (UNTILL NOVEMBER 2015)</i>
Councillor	<i>B JULIES</i>
Councillor	<i>EL MQINGQI</i>
Councillor	<i>MJ SMITH</i>
Councillor	<i>D FREDERICKS ( FROM JANUARY 2016)</i>
Councillor	<i>D OKHUIS ( FROM AUGUST 2015)</i>

#### ACTING MUNICIPAL MANAGER

*JI SWARTZ*

#### ACTING CHIEF FINANCIAL OFFICER

*WET VAN DER WESTHUIZEN*

#### REGISTERED OFFICE

*37 Church Street, Vredendal, 8160*

#### AUDITORS

*Auditor-General of South Africa, Private Bag X1, Chempet, 7442*

#### PRINCIPLE BANKERS

*ABSA Bank*

#### ATTORNEYS

*Swanepoel and Swanepoel Prokureurs  
Bradley Conradie Prokureurs  
Koos Coetzee Prokureurs*

#### RELEVANT LEGISLATION

Municipal Finance Management Act (Act no 56 of 2003)  
Division of Revenue Act  
The Income Tax Act  
Value Added Tax Act  
Municipal Structures Act (Act no 117 of 1998)  
Municipal Systems Act (Act no 32 of 2000)  
Municipal Planning and Performance Management Regulations  
Water Services Act (Act no 108 of 1997)  
Housing Act (Act no 107 of 1997)  
Municipal Property Rates Act (Act no 6 of 2004)  
Electricity Act (Act no 41 of 1987)  
Skills Development Levies Act (Act no 9 of 1999)  
Employment Equity Act (Act no 55 of 1998)  
Unemployment Insurance Act (Act no 30 of 1966)  
Basic Conditions of Employment Act (Act no 75 of 1997)  
Supply Chain Management Regulations, 2005  
Collective Agreements  
Infrastructure Grants  
SALGBC



# MATZIKAMA MUNICIPALITY

## MEMBERS OF THE MATZIKAMA MUNICIPALITY

### COUNCILLORS

1	F BAM
2	D OKHUIS (From August 2015)
3	EL MQINGQI
4	PG BOK
5	R STEPHAN
6	B JULIES
7	A SINDYAMBA
8	C VAN DER WESTRUIS
Proportional	WH NELL
Proportional	MC WITBOOI
Proportional	Y CLOETE
Proportional	AGM JULIES (Untill November 2015)
Proportional	D FREDERICKS (From January 2016)
Proportional	J BOTHA
Proportional	MJ SMITH
Proportional	W FORTUIN

### APPROVAL OF FINANCIAL STATEMENTS

I am responsible for the preparation of these annual financial statements for the year ended 30 June 2016, which are set out on pages 1 to 79 in terms of Section 126 (1) of the Municipal Finance Management Act and which I have signed on behalf of the Municipality. The annual financial statements have been prepared in accordance with GRAP.

I acknowledge that I am ultimately responsible for the system of internal financial control and that the system of internal control provides reasonable assurance that the financial records can be relied on.

I have reviewed the Municipality's cash flow forecast for the year to 30 June 2017 and is satisfied that the Municipality can continue in operational existence for the foreseeable future.

The external auditors are responsible for independently reviewing and reporting on the Municipality's financial statements.

I certify that the remuneration of Councillors and in-kind benefits are within the upper limits of the framework envisaged in Section 219 of the Constitution, read with the Remuneration of Public Officer Bearers Act and approved by council in concurrence with the MEC for Local Government in the province.

---

**Jl SWARTZ**  
**Acting Municipal Manager**

---

**Date**

**MATZIKAMA MUNICIPALITY**

**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

	Notes	2016 R	Restated 2015 R
<b>NET ASSETS AND LIABILITIES</b>			
<b>Net Assets</b>		<b>467 833 590</b>	<b>424 360 209</b>
Accumulated Surplus/(Deficit)		464 458 590	419 750 209
Capital Replacement Reserve	2	3 375 000	4 610 000
<b>Non-Current Liabilities</b>		<b>112 566 943</b>	<b>109 134 573</b>
Long-term Liabilities	3	25 969 551	30 074 936
Employee benefits	4	30 645 425	28 322 936
Non-Current Provisions	5	55 951 967	50 736 701
<b>Current Liabilities</b>		<b>37 915 704</b>	<b>41 507 359</b>
Consumer Deposits	6	4 111 726	3 955 367
Current Employee benefits	7	8 908 414	7 964 543
Payables from exchange transactions	8	19 957 290	23 642 032
Unspent Conditional Government Grants and Receipts	9	810 703	1 506 136
Taxes	10	44 588	-
Current Portion of Long-term Liabilities	3	4 082 984	4 439 281
<b>Total Net Assets and Liabilities</b>		<b>618 316 237</b>	<b>575 002 142</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>		<b>587 032 922</b>	<b>546 390 943</b>
Property, Plant and Equipment	11	517 831 845	479 991 956
Investment Property	12	68 841 582	65 961 831
Intangible Assets	13	247 343	282 487
Long-Term Receivables	14	112 151	154 669
<b>Current Assets</b>		<b>31 283 315</b>	<b>28 611 199</b>
Inventory	15	506 063	424 565
Receivables from exchange transactions	16	12 891 622	11 705 436
Receivables from non-exchange transactions	17	6 946 548	5 105 169
Taxes	10	-	202 204
Operating Lease Asset	18	82 341	58 244
Current Portion of Long-term Receivables	14	346 214	382 632
Cash and Cash Equivalents	19	10 510 526	10 732 948
<b>Total Assets</b>		<b>618 316 237</b>	<b>575 002 142</b>

**MATZIKAMA MUNICIPALITY**

**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	2016 R	Restated 2015 R	Correction of error R	Previously reported 2015 R
<b>REVENUE</b>					
<b>Revenue from Non-exchange Transactions</b>		<b>145 175 015</b>	<b>127 707 139</b>	<b>397 432</b>	<b>127 309 707</b>
<b>Taxation Revenue</b>		<b>36 598 497</b>	<b>32 573 584</b>	<b>-</b>	<b>32 573 584</b>
Property taxes	20	36 598 497	32 573 584	-	32 573 584
<b>Transfer Revenue</b>		<b>77 628 434</b>	<b>76 261 188</b>	<b>369 388</b>	<b>75 891 800</b>
Government Grants and Subsidies - Capital	21	25 497 322	26 620 820	369 388	26 251 432
Government Grants and Subsidies - Operating	21	52 131 111	49 640 368	-	49 640 368
<b>Other Revenue</b>		<b>30 948 084</b>	<b>18 872 367</b>	<b>28 043</b>	<b>18 844 324</b>
Actuarial Gains	4	469 745	67 468	-	67 468
Contribution Property Plant and Equipment	24	27 281 333	11 560 003	-	11 560 003
Fair Value adjustments	25	-	3 591 431	-	3 591 431
Fines	27	3 090 571	3 565 641	-	3 565 641
Reversal of Impairment Loss	32	106 435	87 825	28 043	59 781
<b>Revenue from Exchange Transactions</b>		<b>151 716 580</b>	<b>143 322 488</b>	<b>31 097</b>	<b>143 291 391</b>
Service Charges	22	135 222 096	128 030 790		128 030 790
Rental of Facilities and Equipment	26	3 982 560	3 243 480	(98 086)	3 341 566
Interest Earned - external investments		1 654 131	939 430	-	939 430
Interest Earned - outstanding debtors		3 124 535	2 396 192	-	2 396 192
Licenses and Permits		1 122 173	1 124 577	-	1 124 577
Agency Services		2 628 230	2 416 863	-	2 416 863
Other Income	23	3 982 853	5 171 157	129 183	5 041 973
<b>Total Revenue</b>		<b>296 891 595</b>	<b>271 029 627</b>	<b>428 529</b>	<b>270 601 098</b>
<b>EXPENDITURE</b>					
Employee related Costs	28	93 529 500	81 364 241		81 364 241
Remuneration of Councillors	29	5 907 832	5 642 312		5 642 312
Debt Impairment	30	11 652 698	10 016 708		10 016 708
Collection Costs		327 388	134 146		134 146
Depreciation and Amortisation	31	12 884 742	12 067 395	500 314	11 567 081
Finance Charges	33	8 313 336	8 180 249	282 717	7 897 532
Repairs and Maintenance	34	8 272 092	8 494 841	267 225	8 227 616
Actuarial losses	4	137 346	1 881 691		1 881 691
Bulk Purchases	35	82 655 571	73 818 846		73 818 846
Contracted services	36	-	63 690	59 125	4 565
Grants and Subsidies	37	956 876	928 229		928 229
General Expenses	38	25 879 976	23 850 408	60 921	23 789 488
Fair Value adjustments	25	3 165 131	-		-
Loss on disposal of PPE / Investment Property		1 024 725	216 229		216 229
<b>Total Expenditure</b>		<b>254 707 213</b>	<b>226 658 986</b>	<b>1 170 302</b>	<b>225 488 684</b>
<b>NET SURPLUS FOR THE YEAR</b>		<b>42 184 382</b>	<b>44 370 642</b>	<b>(741 772)</b>	<b>45 112 414</b>

**MATZIKAMA MUNICIPALITY**

**STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>Capital Replacement Reserve R</b>	<b>Revaluation Reserve R</b>	<b>Accumulated Surplus R</b>	<b>Total R</b>
<b>Balance at 30 JUNE 2014</b>	-	-	<b>381 856 939</b>	<b>381 856 939</b>
Correction of error - see note 39.01	-	-	(1 867 372)	(1 867 372)
<b>Restated Balance at 30 JUNE 2014</b>	<b>-</b>	<b>-</b>	<b>379 989 567</b>	<b>379 989 567</b>
Net Surplus for the year	-	-	44 370 642	44 370 642
Transfer to / (from) CRR	4 610 000	-	(4 610 000)	-
Revaluation reserve of Property, Plant and Equipment	-	-	-	-
Transfer to Accumulated Surplus	-	-	-	-
Property, Plant and Equipment purchased	-	-	-	-
<b>Restated Balance at 30 JUNE 2015</b>	<b>4 610 000</b>	<b>-</b>	<b>419 750 209</b>	<b>424 360 209</b>
Net Surplus for the year	-	-	42 184 382	42 184 382
Transfer to / (from) CRR	3 375 000	-	(3 375 000)	-
Revaluation reserve of Property, Plant and Equipment		1 289 000		1 289 000
Transfer to Accumulated Surplus		(1 289 000)	1 289 000	-
Property, Plant and Equipment purchased	(4 610 000)		4 610 000	-
<b>Balance at 30 JUNE 2016</b>	<b>3 375 000</b>	<b>-</b>	<b>464 458 590</b>	<b>467 833 590</b>

**MATZIKAMA MUNICIPALITY**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

		<b>2016</b>	<b>Restated</b>
	<b>Notes</b>	<b>R</b>	<b>2015</b>
			<b>R</b>
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other		172 090 479	160 142 008
Government Grants		76 933 000	72 214 000
Interest		4 778 666	3 335 622
<b>Payments</b>			
Suppliers and employees		(219 223 399)	(190 821 216)
Transfers and Grants	<b>37</b>	(956 876)	(928 229)
Finance charges	<b>33</b>	(3 389 283)	(3 767 914)
<b>Net Cash from Operating Activities</b>	<b>40</b>	<b>30 232 586</b>	<b>40 174 270</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>			
Purchase of Property, Plant and Equipment	<b>11</b>	(26 998 023)	(27 532 572)
Proceeds on Disposal of Fixed Assets		690 468	(0)
Decrease in Long-term Receivables		157 870	550 583
<b>Net Cash from Investing Activities</b>		<b>(26 149 685)</b>	<b>(26 981 989)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>			
Repayment of Long-term Liabilities	<b>App A</b>	(4 461 682)	(6 027 570)
Increase in Consumer Deposits		156 359	869 394
<b>Net Cash from Financing Activities</b>		<b>(4 305 323)</b>	<b>(5 158 176)</b>
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(222 422)</b>	<b>8 034 105</b>
Cash and Cash Equivalents at the beginning of the year		10 732 948	2 698 843
Cash and Cash Equivalents at the end of the year	<b>41</b>	10 510 526	10 732 948
<b>NET INCREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(222 422)</b>	<b>8 034 105</b>

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

**COMPARISON OF ACTUAL FIGURES TO THE FINAL BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	8 876 174	16 625 774	(7 749 600)
Call investment deposits	1 634 352	-	1 634 352
Consumer debtors	19 838 170	14 272 345	5 565 825
Other Receivables	82 341	229 351	(147 009)
Current portion of long-term receivables	346 214	382 632	(36 418)
Inventory	506 063	450 039	56 024
<b>Total current assets</b>	31 283 315	31 960 140	(676 825)
<b>Non current assets</b>			
Long-term receivables	112 151	154 669	(42 518)
Investment property	68 841 582	65 969 831	2 871 751
Property, plant and equipment	517 831 845	494 708 005	23 123 840
Intangible Assets	247 343	323 995	(76 652)
<b>Total non current assets</b>	587 032 922	561 156 501	25 876 421
<b>TOTAL ASSETS</b>	618 316 237	593 116 641	25 199 596
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Bank overdraft	-	-	-
Borrowing	4 082 984	3 996 996	85 987
Consumer deposits	4 111 726	4 192 689	(80 963)
Trade and other payables	20 812 580	24 203 409	(3 390 829)
Provisions and Employee Benefits	8 908 414	8 442 416	465 998
<b>Total current liabilities</b>	37 915 704	40 835 510	(2 919 806)
<b>Non current liabilities</b>			
Borrowing	25 969 551	26 077 940	(108 388)
Non-Current Provisions and Employee Benefits	86 597 391	79 049 022	7 548 370
<b>Total non current liabilities</b>	112 566 943	105 126 962	7 439 981
<b>TOTAL LIABILITIES</b>	150 482 647	145 962 472	4 520 175
<b>NET ASSETS</b>	467 833 590	447 154 169	20 679 421
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus/(Deficit)	464 458 590	441 751 283	22 707 307
Reserves	3 375 000	5 402 886	(2 027 886)
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	467 833 590	447 154 169	20 679 421

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL POSITION AT 30 JUNE 2016**

**ADJUSTMENTS TO APPROVED BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash	10 325 822	6 299 951	16 625 774
Consumer debtors	32 075 147	(17 802 802)	14 272 345
Other Receivables	34 401	194 949	229 351
Current portion of long-term receivables	355 785	26 848	382 632
Inventory	532 631	(82 592)	450 039
<b>Total current assets</b>	43 323 787	(11 363 646)	31 960 140
<b>Non current assets</b>			
Long-term receivables	159 969	(5 300)	154 669
Investment property	60 275 150	5 694 681	65 969 831
Property, plant and equipment	449 525 166	45 182 839	494 708 005
Intangible Assets	424 160	(100 164)	323 995
<b>Total non current assets</b>	510 384 445	50 772 056	561 156 501
<b>TOTAL ASSETS</b>	553 708 231	39 408 410	593 116 641
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Borrowing	3 996 996	-	3 996 996
Consumer deposits	3 500 111	692 578	4 192 689
Trade and other payables	23 580 954	622 455	24 203 409
Provisions and Employee Benefits	11 738 753	(3 296 337)	8 442 416
<b>Total current liabilities</b>	42 816 813	(1 981 303)	40 835 510
<b>Non current liabilities</b>			
Borrowing	22 502 233	3 575 707	26 077 940
Non-Current Provisions and Employee Benefits	67 016 086	12 032 935	79 049 022
<b>Total non current liabilities</b>	89 518 319	15 608 642	105 126 962
<b>TOTAL LIABILITIES</b>	132 335 133	13 627 339	145 962 472
<b>NET ASSETS</b>	421 373 099	25 781 071	447 154 169
<b>COMMUNITY WEALTH</b>			
Accumulated Surplus/(Deficit)	411 405 865	30 345 419	441 751 283
Reserves	9 967 235	(4 564 349)	5 402 886
<b>TOTAL COMMUNITY WEALTH/EQUITY</b>	421 373 100	25 781 070	447 154 169

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)
<b>REVENUE BY SOURCE</b>			
Property rates	(36 598 497)	(40 169 609)	3 571 112
Service charges	(135 222 096)	(142 060 102)	6 838 006
Rental of facilities and equipment	(3 982 560)	(3 641 729)	(340 832)
Interest earned - external investments	(1 654 131)	(1 048 768)	(605 363)
Interest earned - outstanding debtors	(3 124 535)	(2 787 550)	(336 986)
Fines	(3 090 571)	(2 235 059)	(855 512)
Licences and permits	(1 122 173)	(1 915 064)	792 891
Agency services	(2 628 230)	(2 707 574)	79 344
Government Grants and Subsidies - Operating	(52 131 111)	(52 355 280)	224 169
Other income	(31 840 367)	(1 824 276)	(30 016 091)
Gain on disposal of Property, Plant and Equipment	-	(3 839 000)	3 839 000
<b>Total Operating Revenue</b>	<b>(271 394 272)</b>	<b>(254 584 010)</b>	<b>(16 810 262)</b>
<b>EXPENDITURE BY TYPE</b>			
Employee Related Costs	93 529 500	92 691 920	837 580
Remuneration of councillors	5 907 832	6 093 822	(185 990)
Debt impairment	11 652 698	17 198 280	(5 545 582)
Depreciation and Amortisation	12 884 742	11 753 066	1 131 677
Finance charges	8 313 336	8 562 204	(248 868)
Bulk purchases	82 655 571	83 083 297	(427 726)
Contracted services	-	120 600	(120 600)
Grants and Subsidies	956 876	974 723	(17 846)
General Expenses	37 781 933	40 787 489	(3 005 556)
Loss on disposal of Property, Plant and Equipment	1 024 725	-	1 024 725
<b>Total Operating Expenditure</b>	<b>254 707 213</b>	<b>261 265 400</b>	<b>(6 558 187)</b>
<b>Operating (Surplus)/Deficit for the year</b>	<b>(16 687 059)</b>	<b>6 681 390</b>	<b>(23 368 449)</b>
Government Grants and Subsidies - Capital	(25 497 322)	(26 084 361)	587 039
<b>Net (Surplus)/Deficit for the year</b>	<b>(42 184 382)</b>	<b>(19 402 971)</b>	<b>(22 781 411)</b>

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**



**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2016**

**ADJUSTMENTS TO APPROVED BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)
<b>REVENUE BY SOURCE</b>			
Property rates	(37 203 609)	(2 966 000)	(40 169 609)
Property rates - penalties & collection charges		-	-
Service charges	(144 252 402)	2 192 300	(142 060 102)
Rental of facilities and equipment	(4 468 335)	826 606	(3 641 729)
Interest earned - external investments	(698 768)	(350 000)	(1 048 768)
Interest earned - outstanding debtors	(2 537 550)	(250 000)	(2 787 550)
Dividends received	-	-	-
Fines	(2 088 838)	(146 221)	(2 235 059)
Licenses and permits	(1 829 451)	(85 613)	(1 915 064)
Agency services	(2 707 574)	-	(2 707 574)
Government Grants and Subsidies - Operating	(50 788 000)	(1 567 280)	(52 355 280)
Other revenue	(1 800 816)	(23 459)	(1 824 276)
Gains on disposal of PPE	(3 839 000)	-	(3 839 000)
<b>Total Operating Revenue</b>	<b>(252 214 343)</b>	<b>(2 369 667)</b>	<b>(254 584 010)</b>
<b>EXPENDITURE BY TYPE</b>			
Employee related costs	92 755 123	(63 203)	92 691 920
Remuneration of councillors	6 149 941	(56 119)	6 093 822
Debt impairment	6 698 280	10 500 000	17 198 280
Depreciation & asset impairment	11 753 066	-	11 753 066
Finance charges	7 763 316	798 888	8 562 204
Bulk purchases	83 483 297	(400 000)	83 083 297
Contracted services	120 600	-	120 600
Grants and subsidies paid	974 723	-	974 723
Other expenditure	38 635 580	2 151 909	40 787 489
<b>Total Operating Expenditure</b>	<b>248 333 925</b>	<b>12 931 475</b>	<b>261 265 400</b>
<b>Operating (Surplus)/Deficit for the year</b>	<b>(3 880 418)</b>	<b>10 561 808</b>	<b>6 681 390</b>
Government Grants and Subsidies - Capital	(24 980 000)	(1 104 361)	(26 084 361)
<b>Net (Surplus)/Deficit for the year</b>	<b>(28 860 418)</b>	<b>9 457 447</b>	<b>(19 402 971)</b>

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

**COMPARISON OF ACTUAL FIGURES TO FINAL BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2016 R (Actual)	2016 R (Final Budget)	2016 R (Variance)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other	172 090 479	178 959 839	(6 869 360)
Government - operating	51 435 678	52 355 280	(919 602)
Government - capital	25 497 322	26 084 361	(587 039)
Interest	4 778 666	3 475 314	1 303 352
<b>Payments</b>			
Suppliers and Employees	(219 223 399)	(220 519 575)	1 296 175
Finance charges	(3 389 283)	(3 325 800)	(63 483)
Transfers and Grants	(956 876)	(974 723)	17 846
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	30 232 586	36 054 696	(5 822 110)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of Assets	690 468	3 839 000	(3 148 532)
Decrease (Increase) in non-current debtors	157 870	-	157 870
Decrease/(increase) in non-current receivables	-	(5 300)	5 300
<b>Payments</b>			
Capital assets	(26 998 023)	(30 477 847)	3 479 824
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	(26 149 685)	(26 644 147)	494 462
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Borrowing	-	-	-
Increase/(decrease) in consumer deposits	156 359	921 558	(765 199)
<b>Payments</b>			
Repayment of borrowing	(4 461 682)	(4 439 281)	(22 401)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	(4 305 323)	(3 517 723)	(787 599)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	(222 422)	5 892 826	(6 115 248)
Cash and Cash Equivalents at the beginning of the year	10 732 948	10 732 948	0
Cash and Cash Equivalents at the end of the year	10 510 526	16 625 774	(6 115 248)

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**  
**STATEMENT OF COMPARISON OF BUDGET AND ACTUAL AMOUNTS**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 30 JUNE 2016**

**ADJUSTMENTS TO APPROVED BUDGET**  
**(BUDGET ON ACCRUAL BASIS)**

	2016 R (Approved Budget)	2016 R (Adjustments)	2016 R (Final Budget)
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>			
<b>Receipts</b>			
Ratepayers and other	181 298 249	(2 338 411)	178 959 839
Government - operating	50 788 000	1 567 280	52 355 280
Government - capital	24 980 000	1 104 361	26 084 361
Interest	3 067 700	407 614	3 475 314
<b>Payments</b>			
Suppliers and Employees	(213 530 796)	(6 988 779)	(220 519 575)
Finance charges	(3 374 872)	49 072	(3 325 800)
Transfers and Grants	(974 723)	-	(974 723)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	42 253 559	(6 198 862)	36 054 696
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
<b>Receipts</b>			
Proceeds on disposal of Assets	3 839 000	-	3 839 000
Decrease (Increase) in non-current debtors	-	-	-
Decrease/(increase) in non-current receivables	-	(5 300)	(5 300)
<b>Payments</b>			
Capital assets	(29 770 000)	(707 847)	(30 477 847)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	(25 931 000)	(713 147)	(26 644 147)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
<b>Receipts</b>			
Borrowing	-	-	-
Increase/(decrease) in consumer deposits	228 979	692 578	921 558
<b>Payments</b>			
Repayment of borrowing	(8 029 373)	3 590 092	(4 439 281)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	(7 800 394)	4 282 671	(3 517 723)
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>	8 522 165	(2 629 339)	5 892 826
Cash and Cash Equivalents at the beginning of the year	1 803 658	8 929 290	10 732 948
Cash and Cash Equivalents at the end of the year	10 325 822	6 299 951	16 625 774

**EXPLANATORY NOTES ON ALL MATERIAL VARIANCES LARGER THAN 10% PRESENTED IN NOTE 55**

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		2016 R	2015 R
<b>2</b>	<b>NET ASSET RESERVES</b>		
	Capital Replacement Reserve	3 375 000	4 610 000
	<b>Total Net Asset Reserves</b>	<b>3 375 000</b>	<b>4 610 000</b>
	Capital Replacement reserve is created to finance capital projects. Movement is equal to actual capital expenditure incurred during the financial year.		
<b>3</b>	<b>LONG-TERM LIABILITIES</b>		
	Annuity Loans - At amortised cost	30 052 535	34 514 217
	Current Portion transferred to Current Liabilities	(4 082 984)	(4 439 281)
	<b>Total Long-term Liabilities - At amortised cost using the effective interest rate method</b>	<b>25 969 551</b>	<b>30 074 936</b>
	Refer below for maturity dates of long term liabilities:		
	The obligations under annuity loans are scheduled below:		
	Amounts payable under annuity loans:		<b>Minimum annuity payments</b>
	Payable within one year	7 268 168	7 736 463
	Payable within two to five years	22 055 091	25 243 903
	Payable after five years	19 391 588	21 179 708
		48 714 847	54 160 074
	<b>Less:</b> Future finance obligations	(18 662 312)	(19 645 857)
	<b>Present value of annuity obligations</b>	<b>30 052 535</b>	<b>34 514 217</b>
	Annuity loans at amortised cost is calculated at a interest rate of between 5.70% and 11.14%, with first maturity date of 30 June 2016 and last maturity date of 30 June 2027.		
<b>4</b>	<b>EMPLOYEE BENEFITS</b>		
	Post Retirement Benefits - note 4.1	25 677 825	23 871 670
	Long Service Bonusses - note 4.2	4 967 600	4 451 266
	<b>Total Non-current Employee Benefit Liabilities</b>	<b>30 645 425</b>	<b>28 322 936</b>
	<b><u>Post Retirement Benefits</u></b>		
	Balance 1 July	24 847 894	21 053 220
	Contribution for the year	1 234 488	1 002 877
	Interest Cost	2 110 025	1 835 454
	Expenditure for the year	(1 006 645)	(925 348)
	Actuarial Loss / (Gain)	(469 745)	1 881 691
	<b>Total post retirement benefits 30 June</b>	<b>26 716 017</b>	<b>24 847 894</b>
	<b>Less:</b> Transfer of Current Provision - note 7	(1 038 192)	(976 224)
	<b>Balance 30 June</b>	<b>25 677 825</b>	<b>23 871 670</b>
	<b><u>Long Service Bonusses</u></b>		
	Balance 1 July	4 695 477	4 426 598
	Contribution for the year	458 858	396 840
	Interest Cost	373 580	346 304
	Expenditure for the year	(218 808)	(406 797)
	Actuarial Loss/(Gain)	137 346	(67 468)
	<b>Total long service 30 June</b>	<b>5 446 453</b>	<b>4 695 477</b>
	<b>Less:</b> Transfer of Current Provision - note 7	(478 853)	(244 211)
	<b>Balance 30 June</b>	<b>4 967 600</b>	<b>4 451 266</b>
	<b><u>TOTAL NON-CURRENT EMPLOYEE BENEFITS</u></b>		
	Balance 1 July	29 543 371	25 479 818
	Contribution for the year	1 693 346	1 399 717
	Interest cost	2 483 605	2 181 758
	Expenditure for the year	(1 225 453)	(1 332 145)
	Actuarial Loss/(Gain)	(332 399)	1 814 223
	<b>Total employee benefits 30 June</b>	<b>32 162 470</b>	<b>29 543 371</b>
	<b>Less:</b> Transfer of Current Provision - note 7	(1 517 045)	(1 220 435)
	<b>Balance 30 June</b>	<b>30 645 425</b>	<b>28 322 936</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**4.1 Post Retirement Benefits**

The Post Retirement Benefit Plan is a defined benefit plan, of which the members are made up as follows:

	2016 Employees	2015 Employees
In-service (employee) members	118	110
In-service (employee) non-members	56	74
Continuation members (e.g. Retirees, widows, orphans)	30	30
<b>Total Members</b>	<b>204</b>	<b>214</b>

The liability in respect of past service has been estimated to be as follows:

	2016 R	2015 R	2014 R	2013 R
In-service members	11 423 790	9 216 529	7 561 057	6 115 102
In-service non-members	1 770 364	2 482 585	2 794 297	2 041 224
Continuation members	13 521 863	13 148 779	10 697 865	10 463 649
<b>Total Liability</b>	<b>26 716 017</b>	<b>24 847 893</b>	<b>21 053 219</b>	<b>18 619 975</b>

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	2012 R
In-service members	5 207 499
In-service non-members	2 582 752
Continuation members	10 421 576
<b>Total Liability</b>	<b>18 211 827</b>

History of experience adjustments were calculated as follows:

	2016	2015	2014	2013	2012
Liabilities: (Gain) / loss	64 000	1 838 000	361 000	(645 000)	2 398 000
Assets: Gain / (loss)	-	-	-	-	-

The Municipality makes monthly contributions for health care arrangements to the following medical aid schemes:

Bonitas;  
LA Health;  
Samwumedi;  
Keyhealth, and  
Hosmed

Key actuarial assumptions used:

	2016 %	2015 %
<b>i) Rate of interest</b>		
Discount rate	9.31%	8.66%
Health Care Cost Inflation Rate	8.38%	7.87%
Net Effective Discount Rate	0.85%	0.73%

The discount rate used is a composite of all government bonds and is calculated using a technique known as "bootstrapping"

**ii) Mortality rates**

Mortality during employment - SA 85-90  
Mortality post-retirement - PA90-1

**iii) Normal retirement age**

It has been assumed that in-service members will retire at age 65, which then implicitly allows for expected rates of early and ill-health retirement.

**iv) Actuarial Valuation Method**

The Projected Unit Credit Method has been used to value the liabilities.

**v) Expected rate of salary increases**

2016/2017 - average CPI (Feb 2015 – Jan 2016) + 1 per cent  
2017/2018 - average CPI (Feb 2016 – Jan 2017) + 1 per cent

**The amounts recognised in the Statement of Financial Position are as follows:**

	2016 R	2015 R
Present value of fund obligations	26 716 017	24 847 894
<b>Total Liability</b>	<b>26 716 017</b>	<b>24 847 894</b>

The fund is wholly unfunded.

The Municipality recognises the full increase in this defined benefit liability immediately as per GRAP 25, Employee Benefits.

**Reconciliation of present value of fund obligation:**

Present value of fund obligation at the beginning of the year	24 847 894	21 053 220
Total expenses	2 337 868	1 912 983
Current service cost	1 234 488	1 002 877
Interest Cost	2 110 025	1 835 454
Benefits Paid	(1 006 645)	(925 348)
Actuarial (gains)/losses	(469 745)	1 881 691
Present value of fund obligation at the end of the year	26 716 017	24 847 894
<b>Less:</b> Transfer of Current Portion - note 7	(1 038 192)	(976 224)
<b>Balance 30 June</b>	<b>25 677 825</b>	<b>23 871 670</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

**Sensitivity Analysis on the Accrued Liability**

<b>Assumption</b>	<b>In-service members liability R</b>	<b>Continuation members liability R</b>	<b>Total liability R</b>
Central Assumptions	13 194 000	13 522 000	26 716 000

The effect of movements in the assumptions are as follows:

<b>Assumption</b>	<b>Change</b>	<b>In-service members liability R</b>	<b>Continuation members liability R</b>	<b>Total liability R</b>	<b>Change %</b>
Health care inflation	1%	16 325 000	14 806 000	31 131 000	17%
Health care inflation	-1%	10 762 000	12 402 000	23 164 000	-13%
Discount rate	1%	10 799 000	12 420 000	23 219 000	-13%
Discount rate	-1%	16 329 000	14 808 000	31 137 000	17%
Post-retirement mortality	-1 year	13 685 000	14 110 000	27 795 000	4%
Average retirement age	-1 year	14 468 000	13 522 000	27 990 000	5%
Continuation of membership at retirement	-10%	11 584 000	13 522 000	25 106 000	-6%

**Sensitivity Analysis on the Current-Service and Interest Cost**

<b>Assumption</b>	<b>Change</b>	<b>Current Cost R</b>	<b>Service Interest Cost R</b>	<b>Total R</b>	<b>Change %</b>
Central Assumptions		1 394 800	2 439 500	3 834 300	
Health care inflation	1%	1 738 300	2 850 500	4 588 800	20%
Health care inflation	-1%	1 130 900	2 108 900	3 239 800	-16%
Discount rate	1%	1 145 300	2 341 200	3 486 500	-9%
Discount rate	-1%	1 722 800	2 544 600	4 267 400	11%
Post-Retirement mortality	-1 year	1 446 100	2 540 000	3 986 100	4%
Average retirement age	-1 year	1 390 500	2 558 100	3 948 600	3%
Continuation of Membership at retirement	10%	1 228 600	2 289 600	3 518 200	-8%

<b>History of liabilities and assets</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Accrued Liability	26 716 017	24 847 893	21 053 000	18 620 000	18 212 000
Fair value of plan assets	-	-	-	-	-
Surplus	<u>26 716 017</u>	<u>24 847 893</u>	<u>21 053 000</u>	<u>18 620 000</u>	<u>18 212 000</u>

**4.2 Long Service Awards**

The Long Service Award plans are defined benefit plans.

As at year end, the following number of employees were eligible for Long Service Bonuses.

<b>2016 Employees</b>	<b>2015 Employees</b>
<u>395</u>	<u>375</u>

Key actuarial assumptions used:

**i) Rate of interest**

Discount rate	8.94%	8.16%
General Salary Inflation (long-term)	7.77%	7.22%
Net Effective Discount Rate applied to salary-related Long Service Awards	1.08%	0.88%

**ii) Actuarial Valuation Method**

The Projected Unit Credit Method has been used to value the liabilities.

The discount rate used is a composite of all government bonds and is calculated using a technique is known as "bootstrapping"

**The amounts recognised in the Statement of Financial Position are as follows:**

	<b>2016 R</b>	<b>2015 R</b>
Present value of fund obligations	5 446 453	4 695 477
<b>Net liability</b>	<u>5 446 453</u>	<u>4 695 477</u>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

The liability in respect of periods commencing prior to the comparative year has been estimated as follows:

	<b>2014 R</b>	<b>2013 R</b>	<b>2012 R</b>
<b>Total Liability</b>	<b>4 426 598</b>	<b>3 708 407</b>	<b>3 242 171</b>

History of experience adjustments were calculated as follows:

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Liabilities: (Gain) / loss	248 501	(72 616)	262 519	45 289	392 579
Assets: Gain / (loss)	-	-	-	-	-

	<b>2016 R</b>	<b>2015 R</b>
<b>Reconciliation of present value of fund obligation:</b>		
Present value of fund obligation at the beginning of the year	4 695 477	4 426 598
Total expenses	613 630	336 347
Current service cost	458 858	396 840
Interest Cost	373 580	346 304
Benefits Paid	(218 808)	(406 797)
Actuarial (gains)/losses	137 346	(67 468)
Present value of fund obligation at the end of the year	5 446 453	4 695 477
<b>Less:</b> Transfer of Current Portion - note 7	(478 853)	(244 211)
<b>Balance 30 June</b>	<b>4 967 600</b>	<b>4 451 266</b>

**Sensitivity Analysis on the Unfunded Accrued Liability**

<b>Assumption</b>	<b>Change</b>	<b>Liability R</b>	<b>Change %</b>
Central assumptions		5 446 453	
General salary inflation	+1%	5 901 000	8%
General salary inflation	-1%	5 043 000	-7%
Discount Rate	+1%	5 027 000	-8%
Discount Rate	-1%	5 928 000	9%
Average retirement age	- 2 yrs	4 897 000	-10%
Average retirement age	+ 2 yrs	5 159 000	13%
Withdrawal rates	-50%	6 489 000	19%

**Sensitivity Analysis on the Current- Service and Interest Cost**

<b>Assumption</b>	<b>Change</b>	<b>Current Cost R</b>	<b>Service R</b>	<b>Interest Cost R</b>	<b>Total R</b>	<b>Change %</b>
Central assumptions		520 700	465 800		986 500	
General salary inflation	+1%	574 300	506 300		1 080 600	10%
General salary inflation	-1%	473 800	429 800		903 600	-8%
Discount Rate	+1%	476 800	476 300		953 100	-3%
Discount Rate	-1%	571 700	451 900		1 023 600	4%
Average retirement age	-2yrs	472 700	416 700		889 400	-10%
Average retirement age	+2yrs	580 300	529 500		1 109 800	12%
Withdrawal rates	-50%	681 100	559 000		1 240 100	26%

**History of liabilities and assets**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Accrued liability	5 446 453	4 695 477	4 426 598	3 708 407	3 242 171
Fair value of plan asset	-	-	-	-	-
<b>Surplus/(Deficit)</b>	<b>5 446 453</b>	<b>4 695 477</b>	<b>4 426 598</b>	<b>3 708 407</b>	<b>3 242 171</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		2016 R	2015 R
<b>4.3 Retirement funds</b>			
<p>The Municipality requested detailed employee and pensioner information as well as information on the Municipality's share of the Pension and Retirement Funds' assets from the fund administrator. The fund administrator confirmed that assets of the Pension and Retirement Funds are not split per participating employer. Therefore, the Municipality is unable to determine the value of the plan assets as defined in GRAP 25.</p>			
<p>As part of the Municipality's process to value the defined benefit liabilities, the Municipality requested pensioner data from the fund administrator. The fund administrator claim that the pensioner data to be confidential and were not willing to share the information with the Municipality. Without detailed pensioner data the Municipality was unable to calculate a reliable estimate of the accrued liability in respect of pensioners who qualify for a defined benefit pension.</p>			
<p>Therefore, although the Cape Joint Pension Fund and Cape Retirement Fund is a Multi Employer fund defined as defined benefit plan, it will be accounted for as defined contribution plan. All the required disclosure has been made as defined in GRAP 25.</p>			
<b><u>CAPE JOINT PENSION FUND</u></b>			
<p>The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2014 revealed that the fund is in a sound financial position with a funding level of 101.7% (30 June 2013- 99.2%).</p>			
Contributions paid recognised in the Statement of Financial Performance		<u>27 469</u>	<u>25 069</u>
<b><u>CAPE RETIREMENT FUND</u></b>			
<p>The contribution rate payable is 9% by members and 18% by Council. The last actuarial valuation performed for the year ended 30 June 2015 revealed that the fund is in sound financial position with a funding level of 153.1% (30 June 2014 -101.7%).</p>			
Contributions paid recognised in the Statement of Financial Performance		<u>9 238 590</u>	<u>7 898 095</u>
<b><u>DEFINED CONTRIBUTION FUNDS</u></b>			
<p>Council contribute to the Municipal Council Pension Fund, SALA Pension Fund and SAMWU National Provident Fund which are defined contribution funds. The retirement benefit fund is subject to the Pension Fund Act, 1956, with pension being calculated on the pensionable remuneration paid. Current contributions by Council are charged against expenditure on the basis of current service costs.</p>			
Contributions paid recognised in the Statement of Financial Performance			
SAMWU National Provident Fund		<u>901 975</u>	<u>940 702</u>
		<b>2016 R</b>	<b>2015 R</b>
<b>5 NON-CURRENT PROVISIONS</b>			
Provision for Rehabilitation of Landfill-sites		<u>55 951 967</u>	<u>50 736 701</u>
<b>Total Non-current Provisions</b>		<u><b>55 951 967</b></u>	<u><b>50 736 701</b></u>
<p>In terms of the licensing of the landfill refuse sites, the Municipality will incur rehabilitation costs to restore the sites at the end of their useful lives, estimated to occur in 2016 - 2034</p>			
<b><u>Landfill Sites</u></b>			
Balance 1 July		50 736 701	41 746 853
Balance Previously Reported			36 151 776
Correction of error - see note 39.01(k)			5 595 077
Finance Charges		2 440 494	3 065 346
Balance Previously Reported			1 893 759
Correction of error - see note 39.01(l)			834 769
Correction of error - see note 39.01(l)			336 818
Addition		2 774 772	8 290 750
Change in Provision for Rehabilitation Cost			(2 366 248)
<b>Total provision 30 June</b>		<u><b>55 951 967</b></u>	<u><b>50 736 701</b></u>
<b>Less:</b> Transfer of Current Portion to Current Provisions		<u>-</u>	<u>-</u>
<b>Balance 30 June 2016</b>		<u><b>55 951 967</b></u>	<u><b>50 736 701</b></u>



**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

The estimated rehabilitation costs for each of the existing sites are based on the current rates for construction costs.  
The assumptions used are as follows:

	Klaver	Vanrhynsdorp	Vredendal	Lutzville	Strandfontein
Rehabilitation Area(m2)	12 190	25 850	50 460	29 170	7 750
P&G	353 562	1 104 282	862 439	677 262	263 492
Site Clearance ( R )	29 766	63 122	123 215	71 228	18 924
Storm Water Drainage ( R )	992 238	1 330 871	1 927 357	1 595 341	769 536
Capping ( R )	766 507	6 130 277	3 172 925	1 834 210	487 320
Leachate Management	269 475	352 978	630 824	493 144	215 795
Fencing	467 460	10 480	305 960	843 660	390 510
Other ( R )	364 879	773 822	346 740	425 945	346 740
Contingencies ( R )	287 901	899 201	702 272	551 484	214 558
Engineering ( R )	237 518	741 841	579 374	454 974	177 010
Site Supervision ( R )	311 888	817 301	548 507	458 048	360 424
<b>Total (Excl VAT)</b>	<b>4 081 194</b>	<b>12 224 175</b>	<b>9 199 613</b>	<b>7 405 296</b>	<b>3 244 309</b>
Rehab cost/m2	335	473	182	254	419
Estimated construction period(weeks)	12	16	20	16	12

	Doringbaai	Bitterfontein	Kliprand	Rietpoort	Nuwerus
Rehabilitation Area(m2)	10 290	4 570	1 790	820	3 170
P&G	253 847	259 849	140 692	90 498	126 064
Site Clearance ( R )	25 127	11 159	4 371	2 002	7 741
Storm Water Drainage ( R )	728 814	572 517	458 881	338 719	525 263
Capping ( R )	647 035	1 093 330	412 336	51 562	199 330
Leachate Management	305 759	168 576	118 871	93 522	157 641
Fencing	106 460	10 480	10 480	160 610	10 480
Other ( R )	346 740	395 596	452 360	346 740	433 094
Contingencies ( R )	206 704	211 591	114 563	73 691	102 652
Engineering ( R )	170 531	174 563	94 515	60 795	84 688
Site Supervision ( R )	364 087	670 704	612 981	333 096	273 348
<b>Total (Excl VAT)</b>	<b>3 155 104</b>	<b>3 568 365</b>	<b>2 420 050</b>	<b>1 551 235</b>	<b>1 920 301</b>
Rehab cost/m2	307	781	1 352	1 892	606
Estimated construction period	12	12	8	9	8

	Ebenhaeser	Koekenaap
Rehabilitation Area(m2)	3 840	5 000
P&G	191 251	381 599
Site Clearance ( R )	9 377	12 209
Storm Water Drainage ( R )	692 406	848 742
Capping ( R )	241 459	1 192 608
Leachate Management	159 630	233 191
Fencing	263 210	438 960
Other ( R )	356 210	357 618
Contingencies ( R )	155 733	310 731
Engineering ( R )	128 480	256 353
Site Supervision ( R )	427 210	525 347
<b>Total (Excl VAT)</b>	<b>2 624 966</b>	<b>4 557 358</b>
Rehab cost/m2	684	911
Estimated construction period	8	10

**6 CONSUMER DEPOSITS**

Water and Electricity	4 111 726	3 955 367
<b>Total Consumer Deposits</b>	<b>4 111 726</b>	<b>3 955 367</b>

Interest is not paid on these amounts.

**7 CURRENT EMPLOYEE BENEFITS**

Current Portion of Post Retirement Benefits - note 4	1 038 192	976 224
Current Portion of Long-Service Provisions - note 4	478 853	244 211
Provision for Staff Leave	4 939 364	4 554 751
Bonuses Accrued	2 417 488	2 154 840
Pension	34 517	34 517
<b>Total Current Employee Benefits</b>	<b>8 908 414</b>	<b>7 964 543</b>

The movement in current employee benefits are reconciled as follows:

**Provision for Staff Leave**

Balance at beginning of year	4 554 751	4 130 667
Contribution to current portion	875 733	972 100
Expenditure incurred	(491 121)	(548 016)
<b>Balance at end of year</b>	<b>4 939 364</b>	<b>4 554 751</b>

Staff leave accrued to employees according to collective agreement. Provision is made for the full cost of accrued leave at reporting date. This provision will be realised as employees take leave. There is no possibility of reimbursement.

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>R</b>	<b>R</b>
<b><u>Bonuses Accrued</u></b>		
Balance at beginning of year	2 154 840	1 990 934
Contribution to current portion	4 616 459	4 020 417
Expenditure incurred	(4 353 811)	(3 856 511)
Balance at end of year	<b>2 417 488</b>	<b>2 154 840</b>

Bonuses are being paid to all municipal staff. The balance at year end represent the portion of the bonus that have already vested for the current salary cycle. There is no possibility of reimbursement.

<b><u>Pension</u></b>		
Balance at beginning of year	34 517	35 055
Expenditure incurred		(538)
Balance at end of year	<b>34 517</b>	<b>34 517</b>

Pension payments to staff who did not belong to a pension fund in 1994, according to a formula prescribed by a collective agreement. Payment of the amount will occur when respective employees retire. There is no possibility of reimbursement.

**8 PAYABLES FROM EXCHANGE TRANSACTIONS**

Trade Payables	8 841 247	3 400 689
Pre-paid electricity	371 551	315 117
Sundry Creditors	6 616 961	15 540 654
Balance Previously Reported		15 755 111
Correction of error see note - 39.01 ( e )		921 848
Correction of error see note - 39.01 ( h )		-54 101
Correction of error see note - 39.01 ( f )		-1 202 250
Correction of error see note - 39.01 ( j )		59 125
Correction of error see note - 39.01 ( s )		60 921
Payments received in advance	2 466 352	3 639 246
Retentions	1 661 179	746 326
<b>Total Trade Payables</b>	<b>19 957 290</b>	<b>23 642 032</b>

Payables are being recognised net of any discounts.

Payables are being paid within 30 days as prescribed by the MFMA. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other payables on initial recognition is not deemed necessary

All payables are unsecured.

Sundry creditors include sundry deposits for halls, builders and housing deposits.

The municipality is in a position to settle its financial obligations as and when they become due in the normal course of business

**9 UNSPENT CONDITIONAL GOVERNMENT GRANTS AND RECEIPTS**

National Government Grants	-	958 883
Provincial Government Grants	810 703	547 253
Balance Previously Reported		499 999
Correction of error see note - 39.01 ( f )		1 202 250
Correction of error see note - 39.01 ( g )		(785 608)
Correction of error see note 39.01 ( t )		(369 388)
<b>Total Unspent Conditional Grants and Receipts</b>	<b>810 703</b>	<b>1 506 136</b>

Refer to note 21 for a detail reconciliation of grants.

Unspent grants can mainly be attributed to projects that are work in progress on the relevant financial year-ends.

See appendix "B" for reconciliation of grants from other spheres of government. The Municipality complied with the conditions attached to all grants received to the extent of revenue recognised.

**10 TAXES**

**10.1 VAT PAYABLE**

VAT Payable	-	378 704
VAT Output in suspense	4 991 381	4 093 068
Less: Contribution to provision for impairment of trade receivables from exchange transactions	(3 026 482)	(2 802 008)
Opening balance	(2 802 008)	(2 322 622)
Movement for the year	(224 474)	(479 385)
<b>Total VAT Payable</b>	<b>1 964 899</b>	<b>1 669 764</b>

**10.2 VAT RECEIVABLE**

VAT Receivable	445 321	-
VAT Input in suspense	1 474 991	1 871 968
<b>Total VAT Receivable</b>	<b>1 920 312</b>	<b>1 871 968</b>

**10.3 NET VAT RECEIVABLE/(PAYABLE)**

	<b>(44 588)</b>	<b>202 204</b>
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VAT is receivable/(payable) on the cash basis.





**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

12

**INVESTMENT PROPERTY**

**Net Carrying amount at 1 July**

Balance Previously reported  
Correction of error see note 39.01 ( c )

Disposals - current year  
Transfers from Property Plant and Equipment  
Transfers from Inventory  
Fair value gain/(losses)

**Carrying amount at 30 June**

Revenue derived from the rental of investment property

Operating expenditure incurred on properties generating revenue

Operating expenditure incurred on properties not generating revenue

Land to the value of R 6 848 500 were identified to be sold during the next financial year.

There are no restrictions on the realisability of Investment Property or the remittance of revenue and proceeds of disposal.

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

Fair value valuations were performed by an independent firm, South Cape Valuers, at 30 June 2016. The valuator, Stephanus Janse Hendrikus de Swardt is a Professional Associated Valuer ( registration no 2970) at the South African Council for Property Valuers Profession

The method to be applied in the assessment of value will properly reflect the actions of buyers and sellers, as well as the approach typically followed by market participants, including brokers, in the assessment of selling prices. It will also reflect market circumstances at the time, such as the availability of property for rental and sale and the respective strengths and weaknesses of buyers and sellers.

**2016  
R**

**2015  
R**

65 961 831      62 370 400

62 378 400
(8 000)

(877 218)      -

6 922 100      -

-      -

(3 165 131)      3 591 431

**68 841 582      65 961 831**

**80 899      70 012**

**29 521      24 654**

**-      -**

13

**INTANGIBLE ASSETS**

**Computer Software and Rights**

**Net Carrying amount at 1 July**

Cost  
Balance previously reported  
Correction of error see note 39.01 ( i )

Accumulated Amortisation

Balance previously reported  
Correction of error see note 39.01 ( i )

Amortisation

Balance previously reported  
Correction of error see note 39.01 ( i )

**Net Carrying amount at 30 June**

Cost  
Accumulated Amortisation

Computer Software were assets to have a life span of 15 years, Rights has an indefinite life span.

There are no internally generated intangible assets at reporting date.

There are no intangible assets whose title is restricted.

There are no intangible assets pledged as security for liabilities

There are no contractual commitments for the acquisition of intangible assets.

**282 487      317 630**

547 669	547 669
(265 182)	(230 039)
(35 143)	(35 143)

(35 143)      (35 143)

(50 164)      15 021

**247 343      282 487**

547 669	547 669
(300 325)	(265 182)

14

**LONG-TERM RECEIVABLES**

Housing Selling Scheme Loans  
Receivables with repayment arrangements

**Total Long-Term Receivables**

Less: Provision for Debt Impairment

**Total Net Long Term Receivables**

Less: Current portion transferred to current receivables

**Total Long Term Receivables**

**The provision for Debt Impairment could be allocated to the different classes of Long-Term Receivables as follows:**

Receivables subject to repayment arrangements

**Total Provision for Debt Impairment**

(458 366)      (537 301)

**(458 366)      (537 301)**

Receivables subject to repayment arrangements are debtors which are repaying their outstanding consumers accounts over a period of more than 12 months. There are no standard repayment terms, therefore age analysis for long term receivables available.

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		<b>2016</b>	<b>2015</b>
		<b>R</b>	<b>R</b>
<b>15</b>	<b>INVENTORY</b>		
	Consumable Stores - at cost	28 464	45 378
	Water - at purification cost	423 564	332 871
	Graves - at nett realisable value	54 035	46 316
	Land Held for Resale - at cost	-	-
	<b>Total Inventory</b>	<b>506 063</b>	<b>424 565</b>
	No inventory assets were pledged as security for liabilities.		
<b>16</b>	<b>RECEIVABLES FROM EXCHANGE TRANSACTIONS</b>		
	<b>Service Receivables</b>	<b>50 571 082</b>	<b>48 519 460</b>
	Electricity	7 675 909	7 162 640
	Water	8 790 227	8 467 169
	Refuse	8 839 532	8 381 651
	Sewerage	10 073 097	10 145 807
	Other	15 192 317	14 362 193
	<b>Other Receivables</b>	<b>229 825</b>	<b>263 651</b>
	Sundry Receivables	229 825	263 651
	<b>Total Receivables from Exchange Transactions</b>	<b>50 800 907</b>	<b>48 783 111</b>
	Less: Provision for Debt Impairment	(37 909 285)	(37 077 675)
	<b>Total Net Receivables from Exchange Transactions</b>	<b>12 891 622</b>	<b>11 705 436</b>
	Consumer debtors are receivable within 30 days. This credit period granted is considered to be consistent with the terms used in the public sector, through established practices and legislation. Discounting of trade and other receivables on initial recognition is not deemed necessary.		
	Receivables to an amount of R4 million are pledged as security for financial liabilities.		
	<b>Reconciliation of Provision for Debt Impairment</b>		
	Balance at beginning of year	42 238 535	36 305 205
	Contribution to provision - Exchange Transactions	11 139 134	9 276 197
	Contribution to provision - Non Exchange Transactions	738 037	1 219 896
	Bad Debts Written Off	(10 592 182)	(4 562 763)
	<b>Balance at end of year</b>	<b>43 523 525</b>	<b>42 238 535</b>
	Receivables from Exchange Transactions	37 909 285	37 077 675
	Receivables from Non-Exchange Transactions	5 155 873	4 623 559
	Long term receivables	458 366	537 301
	Concentrations of credit risk with respect to trade receivables are limited due to the Municipality's large number of customers. The Municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the Municipality's trade receivables.		
	<b>Summary of debtors by customer classification</b>		
	<b>Consumers</b>		
	Current (0 - 30 days)	10 029 245	9 920 941
	31 - 60 Days	4 098 611	3 841 173
	61 - 90 Days	2 689 623	2 172 433
	91 - 120 Days	1 682 345	1 637 260
	+ 120 Days	35 090 609	35 473 586
	<b>Total</b>	<b>53 590 432</b>	<b>53 045 393</b>
	<b>Industrial/Commercial</b>		
	Current (0 - 30 days)	823 757	734 155
	31 - 60 Days	182 976	182 765
	61 - 90 Days	25 249	64 956
	91 - 120 Days	46 360	23 727
	+ 120 Days	477 942	368 824
	<b>Total</b>	<b>1 556 284</b>	<b>1 374 427</b>
	<b>National and Provincial Government</b>		
	Current (0 - 30 days)	790 195	88 957
	31 - 60 Days	41 653	13 988
	61 - 90 Days	37 668	8 460
	91 - 120 Days	14 840	7 556
	+ 120 Days	1 959 967	586 216
	<b>Total</b>	<b>2 844 323</b>	<b>705 177</b>

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

	2016 R	2015 R
<b>Ageing of Receivables from Exchange Transactions:</b>		
<b><u>(Electricity): Ageing</u></b>		
Current (0 - 30 days)	4 960 110	4 869 020
31 - 60 Days	1 139 101	1 076 773
61 - 90 Days	674 023	266 170
91 - 120 Days	93 845	108 413
+ 120 Days	808 831	842 264
<b>Total</b>	<b>7 675 909</b>	<b>7 162 640</b>
<b><u>(Water): Ageing</u></b>		
Current (0 - 30 days)	906 386	980 909
31 - 60 Days	735 951	601 838
61 - 90 Days	552 872	477 920
91 - 120 Days	441 381	338 805
+ 120 Days	6 153 636	6 067 697
<b>Total</b>	<b>8 790 227</b>	<b>8 467 169</b>
<b><u>(Refuse): Ageing</u></b>		
Current (0 - 30 days)	1 089 635	1 165 091
31 - 60 Days	533 100	565 354
61 - 90 Days	376 971	376 895
91 - 120 Days	317 932	321 760
+ 120 Days	6 521 894	5 952 551
<b>Total</b>	<b>8 839 532</b>	<b>8 381 651</b>
<b><u>(Sewerage): Ageing</u></b>		
Current (0 - 30 days)	1 163 994	1 168 080
31 - 60 Days	596 247	610 512
61 - 90 Days	422 655	427 309
91 - 120 Days	356 408	360 940
+ 120 Days	7 533 793	7 578 966
<b>Total</b>	<b>10 073 097</b>	<b>10 145 807</b>
<b><u>(Other): Ageing</u></b>		
Current (0 - 30 days)	1 374 872	560 639
31 - 60 Days	724 657	608 294
61 - 90 Days	446 279	397 972
91 - 120 Days	332 592	334 190
+ 120 Days	12 313 918	12 461 098
<b>Total</b>	<b>15 192 317</b>	<b>14 362 193</b>
Included in the Other debtors are sundries that are also levied through the debtors sub ledger monthly. This does not relate to service charges or property rates		
<b><u>(Total): Ageing</u></b>		
Current (0 - 30 days)	9 494 998	8 743 739
31 - 60 Days	3 729 055	3 462 771
61 - 90 Days	2 472 800	1 946 266
91 - 120 Days	1 542 158	1 464 108
+ 120 Days	33 332 071	32 902 576
<b>Total</b>	<b>50 571 082</b>	<b>48 519 460</b>
<b>17 RECEIVABLES FROM NON-EXCHANGE TRANSACTIONS</b>		
Rates	7 419 957	6 605 537
Fines	3 240 366	1 982 736
Other Receivables	1 442 098	1 140 455
Eskom Deposits	320 454	303 030
Suspense Debtors	194 624	8 778
Prepayment : SALGA	927 020	828 647
<b>Total Receivables from Non-Exchange Transactions</b>	<b>12 102 421</b>	<b>9 728 728</b>
Less: Allowance for Doubtful Debts	(5 155 873)	(4 623 559)
<b>Total Net Receivables from Non-Exchange Transactions</b>	<b>6 946 548</b>	<b>5 105 169</b>
The entire provision for bad debts relates to the outstanding rates balance.		
Concentrations of credit risk with respect to trade receivables are limited due to the municipality's large number of customers. The municipality's historical experience in collection of trade receivables falls within recorded allowances. Due to these factors, management believes that no additional risk beyond amounts provided for collection losses is inherent in the municipality's trade receivables.		
<b>Ageing of Receivables from Non-Exchange Transactions:</b>		
<b><u>(Rates): Ageing</u></b>		
Current (0 - 30 days)	2 148 199	2 000 312
31 - 60 Days	594 186	575 155
61 - 90 Days	279 739	299 583
91 - 120 Days	201 388	204 435
+ 120 Days	4 196 446	3 526 052
<b>Total</b>	<b>7 419 957</b>	<b>6 605 537</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		2016 R	2015 R
<b>18</b>	<b>OPERATING LEASE ARRANGEMENTS</b>		
<b>18.1</b>	<b>The Municipality as Lessor (Asset)</b>		
	<b>Balance on 1 July</b>	58 244	34 401
	Movement during the year	24 097	23 843
	Balance Previously Reported		(7 254)
	Correction of error - see note 39.01		31 097
	<b>Balance on 30 June</b>	<b>82 341</b>	<b>58 244</b>
	At the Statement of Financial Position date, where the Municipality acts as a lessor under operating leases, it will receive operating lease income as follows:		
	Up to 1 Year	112 263	101 009
	1 to 5 Years	283 199	284 673
	More than 5 Years	275 623	353 413
	<b>Total Operating Lease Arrangements</b>	<b>671 085</b>	<b>739 095</b>
	This lease income was determined from contracts that have a specific conditional income and does not include lease income which has a undetermined conditional income.		
	The Municipality is leasing land and buildings to different rate payers for periods ranging from 36 to 120 months with escalations of between 3% and 10% per year.		
	The leases are in respect of land and buildings being leased out for previous ranging until 2019.		
	The municipality does not engage in any sub-lease arrangements.		
	The municipality did not receive any contingent rent during the year		
<b>19</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	<b>Assets</b>		
	Bank Accounts	8 870 324	10 726 798
	Cash Floats	5 850	6 150
	Call Investment deposits	1 634 352	-
	<b>Total Cash and Cash Equivalents - Assets</b>	<b>10 510 526</b>	<b>10 732 948</b>
	<b>Call Investment Deposits</b>		
	Investec	1 634 352	-
		<b>1 634 352</b>	<b>-</b>
	The Municipality has the following bank accounts:		
	<b>Current Accounts - Assets</b>		
	ABSA Bank - Account Number 4550-1900-3588-9018	-	-
	ABSA Bank - Account Number 40-5057-5029	6 551 056	5 407 428
	ABSA Bank - Account Number 40-7513-2844	730 915	486 744
	ABSA Bank - Account Number 40-7512-9982	941 668	2 902 302
	ABSA Bank - Account Number 40-7554-5657	633 158	1 930 324
	ABSA Bank - Account Number 40-7670-7628	13 526	-
		<b>8 870 324</b>	<b>10 726 798</b>
	<b>Current Accounts - Liabilities</b>		
	ABSA Bank - Account Number 40-5057-5029	-	-
	<b>ABSA Bank - Account Number 40-5057-5029</b>		
	Cash book balance at beginning of year	5 407 428	(750 056)
	Cash book balance at end of year	6 551 056	5 407 428
	Bank statement balance at beginning of year	5 028 549	2 306 463
	Bank statement balance at end of year	6 267 852	5 028 549
	<b>ABSA Bank - Account Number 40-7513-2844</b>		
	Cash book balance at beginning of year	486 744	247 023
	Cash book balance at end of year	730 915	486 744
	Bank statement balance at beginning of year	486 744	247 023
	Bank statement balance at end of year	730 915	486 744
	<b>ABSA Bank - Account Number 40-7512-9982</b>		
	Cash book balance at beginning of year	2 902 302	1 314 696
	Cash book balance at end of year	941 668	2 902 302
	Bank statement balance at beginning of year	2 902 302	1 314 696
	Bank statement balance at end of year	941 668	2 902 302
	<b>ABSA Bank - Account Number 40-7554-5657</b>		
	Cash book balance at beginning of year	1 930 324	1 267 712
	Cash book balance at end of year	633 158	1 930 324
	Bank statement balance at beginning of year	1 930 324	1 267 712
	Bank statement balance at end of year	633 158	1 930 324
	<b>ABSA Bank - Account Number 40-7670-7628</b>		
	Cash book balance at beginning of year	-	612 668
	Cash book balance at end of year	13 526	-
	Bank statement balance at beginning of year	-	612 668
	Bank statement balance at end of year	-	-



**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

20	<b>PROPERTY RATES</b>	<b>2016 R</b>	<b>2015 R</b>
	<u><b>Actual</b></u>		
	<b>Rateable Land and Buildings</b>		
	Residential/Commercial	27 515 897	25 814 477
	State	4 279 518	2 457 598
	Agriculture	4 803 082	4 301 509
	<b>Total Assessment Rates</b>	<b>36 598 497</b>	<b>32 573 584</b>
	<b>Rates:</b>		
	Residential	0.01044 c/R	0.00985 c/R
	Commercial	0.01044 c/R	0.00985 c/R
	Agricultural (2010 - less 65% rebate)	0.02611 c/R	0.00246 c/R
	DMA Agricultural	0.00055 c/R	0.00052 c/R
	Assessment Rates are levied on the value of land and improvements. The last valuation came into effect on 1 July 2011, and the next one will be implemented 1 July 2016. Interim valuations are processed on an annual basis to take into account changes in individual property values due to alterations and subdivisions and also to accommodate growth in the rate base due mostly to private development.		
	Rates are levied annually and monthly. Monthly rates are payable by the 25th of the following month and annual rates are payable before 30 September. Interest is levied at the prime rate plus 1% on outstanding monthly rates.		
	Rebates can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		
21	<b>GOVERNMENT GRANTS AND SUBSIDIES</b>		
	<b>Unconditional Grants</b>	<b>41 409 000</b>	<b>39 922 000</b>
	Equitable Share	41 409 000	39 922 000
	<b>Conditional Grants</b>	<b>36 219 434</b>	<b>36 339 189</b>
	CDW's	144 000	147 818
	Department of Mineral Resources	2 499 728	1 085 272
	Department of Sport and Culture	416 641	-
	FMSG	782 256	998 012
	FMG	1 450 000	1 450 000
	Housing	-	-
	Library Services	5 660 000	6 502 984
	MIG	20 716 000	22 060 482
	MSIG	929 768	759 232
	EPWP	1 000 000	1 201 000
	DWAF	1 500 000	1 058 000
	Neighbourhood Development	-	680 389
	Public Transport	59 000	46 000
	Municipal Performance Management Grant	-	100 000
	Municipal Capacity Building Grant	500 000	-
	Municipal Infrastructure Support Grant	300 000	250 000
	WC Financial Support for IDP related Projects	62 041	-
	Thusong services centres operational grant	200 000	-
	<b>Total Government Grants and Subsidies</b>	<b>77 628 434</b>	<b>76 261 189</b>
	Government Grants and Subsidies - Capital	25 497 323	26 620 822
	Government Grants and Subsidies - Operating	52 131 111	49 640 367
		<b>77 628 434</b>	<b>76 261 189</b>
	<b>Revenue recognised per vote as required by Section 123 (c) of the MFMA</b>		
	Equitable share	41 409 000	39 922 000
	Executive and Council	-	469 389
	Budget and treasury office	27 452 706	28 699 444
	Corporate Services	1 392 077	663 244
	Community and social services	5 706 044	5 252 284
	Road Transport	1 059 000	1 247 000
	Electricity	597 883	7 828
	<b>Total</b>	<b>77 616 710</b>	<b>76 261 189</b>
	The Municipality does not expect any significant changes to the level of grants.		
21.1	<b>Equitable share</b>		
	Opening balance	-	-
	Grants received	41 409 000	39 922 000
	Operating	(41 409 000)	(39 922 000)
	Capital	-	-
		<b>-</b>	<b>-</b>
	The Equitable Share is the unconditional share of the revenue raised nationally and is being allocated in terms of Section 214 of the Constitution (Act 108 of 1996) to the Municipality by the National Treasury.		
21.2	<b>Local Government Financial Management Grant (FMG)</b>		
	Opening balance	-	-
	Grants received	1 450 000	1 450 000
	Conditions met - Operating	(1 450 000)	(1 450 000)
	Conditions met - Capital	-	-
	Conditions still to be met/(Grant Expenditure to be recovered)	<b>-</b>	<b>-</b>
	The Financial Management Grant is paid by National Treasury to municipalities to help implement the financial reforms required by the Municipal Finance Management Act (MFMA), 2003. The FMG Grant also pays for the cost of the Financial Management Internship Programme (e.g. salary costs of the Financial Management Interns).		

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016 R</b>	<b>2015 R</b>
<b>21.3 Municipal Systems Improvement Grant</b>		
Opening balance	174 768	-
Grants received	930 000	934 000
Grants repaid	(175 000)	
Conditions met - Operating	(892 077)	(663 244)
Conditions met - Capital	(37 691)	(95 988)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>-</u>	<u>174 768</u>
The MSIG was used for building in-house capacity to perform municipal functions and stabilise institutional and governance systems.		
<b>21.4 Municipal Infrastructure Grant (MIG)</b>		
Opening balance	-	4 597 482
Grants received	20 716 000	20 089 000
Grants repaid	-	(2 626 000)
Conditions met - Capital	(20 716 000)	(22 060 482)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>-</u>	<u>-</u>
The grant was used to upgrade infrastructure in previously disadvantaged areas.		
<b>21.6 Department of Mineral Resources</b>		
Opening balance	414 728	-
Grants received	2 500 000	1 500 000
Grants repaid	(415 000)	-
Conditions met - Capital	(2 499 728)	(1 085 272)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>-</u>	<u>414 728</u>
The National Electrification Grant was used for electrical connections in previously disadvantaged areas.		
<b>21.7 Other Grants</b>		
Opening balance	916 639	955 841
Grants received	10 518 000	10 945 000
Conditions met - Operating	(8 380 034)	(7 605 123)
Conditions met - Capital	(2 243 904)	(3 379 079)
Conditions still to be met/(Grant Expenditure to be recovered)	<u>810 701</u>	<u>916 639</u>
Various grants were received from other spheres of government (e.g. Library Services Grant and Neighbourhood Development Grant).		
<b>21.8 Total Grants</b>		
Opening balance	1 506 135	5 553 324
Grants received	77 523 000	74 840 000
Grants repaid	(590 000)	(2 626 000)
Conditions met - Operating	(52 131 111)	(49 640 368)
Conditions met - Capital	(25 497 322)	(26 620 821)
Conditions still to be met/(Grant expenditure to be recovered)	<u>810 701</u>	<u>1 506 135</u>
<b>Disclosed as follows:</b>		
Unspent Conditional Government Grants and Receipts	810 703	1 506 136
Unpaid Conditional Government Grants and Receipts	<u>-</u>	<u>-</u>
	<u>810 703</u>	<u>1 506 136</u>
<b>22 SERVICE CHARGES</b>		
<b>Electricity</b>	93 772 998	84 374 508
Service Charges	94 045 085	85 275 693
Less: Revenue foregone	(272 087)	(901 185)
<b>Water</b>	15 164 646	17 694 999
Service Charges	15 442 567	17 988 003
Less: Revenue foregone	(277 921)	(293 004)
<b>Refuse removal</b>	13 274 805	12 995 056
Service Charges	16 487 768	15 363 669
Less: Revenue foregone	(3 212 963)	(2 368 613)
<b>Sewerage and Sanitation Charges</b>	13 009 647	12 966 227
Service Charges	16 889 158	15 796 263
Less: Revenue foregone	(3 879 511)	(2 830 036)
<b>Total Service Charges</b>	<u>135 222 096</u>	<u>128 030 790</u>
Revenue foregone can be defined as any income that the Municipality is entitled by law to levy, but which has subsequently been forgone by way of rebate or remission.		

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

<b>23</b>	<b>OTHER INCOME</b>	<b>2016 R</b>	<b>2015 R</b>
	Advertising	32 677	40 203
	Application Fees - Town Planning	66 284	106 211
	Aqua Kultuur		137 173
	Building Plan Fees	295 511	239 334
	Cemetery	435 306	445 226
	Cemetery Digging	6 680	9 361
	Encroachments	47 515	33 983
	Namakwa fees	-	-
	Housing Redeemed	88 448	69 879
	Insurance Claims	156 308	356 731
	Photocopies	19 976	30 297
	Refuse Bags	-	-
	Roadworthy Certificates	706 534	687 892
	Subscription Fees	482	298
	Sundry Income - Finance	1 964 179	2 821 220
	Balance Previously Reported		2 692 036
	Correction of Error - see note 39.01 (p)		129 183
	Valuation Certificates	104 995	90 133
	Telephone	57 957	103 217
	<b>Total Other Income</b>	<b>3 982 853</b>	<b>5 171 157</b>
<b>24</b>	<b>CONTRIBUTING PROPERTY PLANT AND EQUIPMENT</b>		
	Contribution Property Plant and Equipment	27 281 333	11 560 003
	<b>Total Contributing Property, Plant and Equipment</b>	<b>27 281 333</b>	<b>11 560 003</b>
	Department of Land Reforms and Department of Housing contributed towards the construction of infrastructure : assets		
<b>25</b>	<b>FAIR VALUE ADJUSTMENTS</b>		
	Fair Value adjustments of Investment Property	(3 165 131)	3 591 431
	<b>Total Fair Value Adjustments</b>	<b>(3 165 131)</b>	<b>3 591 431</b>
<b>26</b>	<b>RENTAL OF FACILITIES AND EQUIPMENT</b>		
	Strandfontein	2 376 453	2 101 392
	Other rentals	1 606 108	1 142 088
	Balance Previously Reported		1 240 174
	Correction of error - see note 39.01 (p)		(129 183)
	Correction of error - see note 39.01 ( o )		31 097
	<b>Total Rental of Facilities and Equipment</b>	<b>3 982 560</b>	<b>3 243 480</b>
<b>27</b>	<b>FINES</b>		
	Municipal Traffic Fines	1 292 060	2 350 965
	Provincial Traffic Fines	1 758 244	1 186 120
	Other	40 267	28 556
	<b>Total Fines</b>	<b>3 090 571</b>	<b>3 565 641</b>
<b>28</b>	<b>EMPLOYEE RELATED COSTS</b>		
	Bonuses	4 616 459	4 020 417
	Contributions for UIF, pensions and medical aids	13 947 354	12 028 669
	Housing Subsidy	162 686	204 562
	Long service bonuses	458 858	396 840
	Overtime	3 577 116	2 839 420
	Post Employment Health	1 234 488	1 002 877
	Protective Clothing	467 651	323 746
	Provision for Staff Leave	875 733	972 100
	Salaries and Wages	64 254 187	55 769 704
	Skills Development Levy and Training	395 117	547 458
	Travel, motor car, telephone, assistance and other allowances	3 539 851	3 258 448
	<b>Total Employee Related Costs</b>	<b>93 529 500</b>	<b>81 364 241</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>R</b>	<b>R</b>
<b>KEY MANAGEMENT PERSONNEL</b>		
Municipal Manager is appointed on a 5 year fixed contract. There are no post-employment or termination benefits payable at the end of the contract period. All other Directors are permanently appointed.		
<b>REMUNERATION OF KEY MANAGEMENT PERSONNEL</b>		
<b>Remuneration of the Director Technical Services: J PEKEUR</b>		
Annual Remuneration	668 742	582 544
Bonus	154 903	38 400
Contributions for UIF, pensions and medical aids	162 346	150 427
Travel, motor car, telephone, assistance and other allowances	92 563	74 568
Skills Development Levy and Training		7 301
<b>Total</b>	<b>1 078 554</b>	<b>853 240</b>
Included in remuneration of the Director Technical Services is also the allowance for acting as Municipal Manager during current financial year		
<b>Remuneration of the Director Corporate Services: W CONRADIE</b>		
Annual Remuneration	551 564	539 048
Bonus	65 978	
Contributions for UIF, pensions and medical aids	155 478	144 109
Travel, motor car, telephone, assistance and other allowances	86 972	71 960
Skills Development Levy and Training		6 087
<b>Total</b>	<b>859 992</b>	<b>761 204</b>
Included in remuneration of the Director Corporate Services is also the allowance for acting as Municipal Manager during current financial year		
<b>Remuneration of the Director Community Services: J SWARTZ</b>		
Annual Remuneration	634 842	626 192
Bonus		6 600
Contributions for UIF, pensions and medical aids	166 062	152 647
Travel, motor car, telephone, assistance and other allowances	62 433	56 633
Skills Development Levy and Training		7 228
<b>Total</b>	<b>863 337</b>	<b>849 300</b>
Included in remuneration of the Director Community Services is also the allowance for acting as Municipal Manager during current financial year		
<b>Remuneration of the Director Financial Services: M BOLTON (Resigned March 2016)</b>		
Annual Remuneration	861 728	961 433
Bonus	140 535	65 467
Contributions for UIF, pensions and medical aids	495 802	151 053
Travel, motor car, telephone, assistance and other allowances	2 044 469	76 237
Skills Development Levy and Training	-	11 054
<b>Total</b>	<b>3 542 534</b>	<b>1 265 244</b>
Included in remuneration of the Director Financial Services is also the allowance for acting as Municipal Manager during current financial year.		
<b>Remuneration of the Director Planning and Development: L PHILLIPS</b>		
Annual Remuneration	525 875	108 116
Bonus	12 487	
Contributions for UIF, pensions and medical aids	1 785	297
Housing Subsidy		13 131
Travel, motor car, telephone, assistance and other allowances	322 499	22 539
Skills Development Levy and Training		1 284
<b>Total</b>	<b>862 646</b>	<b>145 367</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		<b>2016</b>	<b>2015</b>
		<b>R</b>	<b>R</b>
<b>29</b>	<b>REMUNERATION OF COUNCILLORS</b>		
	PG Bok	778 880	663 855
	DS Goedeman	-	498 779
	MC Witbooi	620 961	559 740
	MJ Smith	249 349	236 416
	DD Jenner	-	-
	R Stephan	249 349	236 416
	A Sinyamba	249 349	236 416
	F Bam	589 378	559 740
	EL Mqingqi	249 349	236 416
	WH Nell	627 278	595 664
	AGM Julies	124 674	-
	C vd Westruis	249 349	285 671
	D Okhuis	235 273	-
	AGM Julies	-	236 416
	J Botha	589 378	587 534
	W Fortuin	480 605	236 416
	Y Cloete	249 349	236 416
	B Julies	249 349	236 416
	DR Fredericks	115 961	-
	<b>Total Councillors' Remuneration</b>	<b>5 907 832</b>	<b>5 642 312</b>
	<b>Remuneration of councillors can be summarised as follows:</b>		
	Salaries	4 731 021	4 447 955
	Travel, motor car, telephone, assistance and other allowances	654 741	654 270
	Contributions for UIF, pensions and medical aids	522 069	540 086
	<b>Total Councillors' Remuneration</b>	<b>5 907 832</b>	<b>5 642 312</b>
	 Mayor	778 880	740 105
	Deputy Mayor	522 732	498 779
	Speaker	627 278	595 664
	Mayoral Committee	1 678 786	1 679 782
	Councillors	2 300 156	2 127 981
	<b>Total Councillors' Remuneration</b>	<b>5 907 832</b>	<b>5 642 312</b>
	<b>In-kind Benefits</b>		
	The Executive Mayor and all the committee members are part-time. The Mayor is provided with secretarial support and an office at the cost of the Council.		
<b>30</b>	<b>DEBT IMPAIRMENT</b>		
	Trade Receivables from exchange transactions - Note 16	11 139 134	9 276 196.94
	Trade Receivables from non-exchange transactions - Note 16	738 037	1 219 896
	VAT Portion of Provision - note 10	(224 474)	(479 385)
	<b>Total Debt Impairment</b>	<b>11 652 698</b>	<b>10 016 708</b>
<b>31</b>	<b>DEPRECIATION AND AMORTISATION</b>		
	Property Plant and Equipment	12 849 599	12 032 252
	Intangible Assets	35 143	35 143
	<b>Total Depreciation and Amortisation</b>	<b>12 884 742</b>	<b>12 067 395</b>
<b>32</b>	<b>REVERSAL OF IMPAIRMENT LOSS</b>		
	Property, Plant & Equipment	(106 435)	(87 825)
	Balance previously reported		(59 781)
	Correction of error - see note 39.01( n)		(28 043)
	<b>Total Impairments</b>	<b>(106 435)</b>	<b>(87 825)</b>
	The reversal of impairment relate to the capitalised restoration costs. The reversal of impairment was caused by the change in the discount rate which is linked to prime rate		
<b>33</b>	<b>FINANCE CHARGES</b>		
	Long-term Liabilities	3 389 283	3 767 345
	Landfill Sites	2 440 494	2 230 577
	Balance previously reported		1 893 759
	Correction of error - see note 39.02 (l)		336 818
	Post Employment Health	2 110 024	1 835 454
	Long service bonuses	373 536	346 304
	Interest paid on arrear account	-	570
	Balance previously reported		54 671
	Correction of error - see note 39.01 (h)		(54 101)
	<b>Total Finance Charges</b>	<b>8 313 336</b>	<b>8 180 249</b>
<b>34</b>	<b>REPAIRS AND MAINTENANCE</b>		
	Repairs and Maintenance	8 272 092	8 494 841
	Balance previously reported		8 227 616
	Correction of error - see note 39.01( r )		267 225
	<b>Total Repairs and Maintenance</b>	<b>8 272 092</b>	<b>8 494 841</b>
<b>35</b>	<b>BULK PURCHASES</b>		
	Electricity	77 356 365	68 116 282
	Water	5 299 206	5 702 564
	<b>Total Bulk Purchases</b>	<b>82 655 571</b>	<b>73 818 846</b>

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		2016 R	2015 R
<b>36</b>	<b>CONTRACTED SERVICES</b>		
	Speeding	-	63 690
	Balance previously reported		4 565
	Correction of error - see note 39.01 (j)		59 125
	Other	-	-
	<b>Total Contracted Services</b>	<b>-</b>	<b>63 690</b>
<b>37</b>	<b>GRANTS AND SUBSIDIES</b>		
	Donations General	-	-
	Life Guards	123 900	129 940
	Poverty Alleviation	4 704	10 903
	Tourism	824 273	786 520
	Sport development	4 000	867
	<b>Total Grants and Subsidies</b>	<b>956 876</b>	<b>928 230</b>
<b>38</b>	<b>GENERAL EXPENSES</b>		
	Advertisements	177 276	182 877
	Aqua Kultuur	-	84 282
	Audit Committee Fees	42 185	51 075
	Audit Fees	1 669 674	1 527 368
	Bank Charges	267 084	425 021
	Cleaning Material	90 178	118 751
	Commission Paid	1 397 480	1 158 851
	Computer Charges	538 187	522 689
	Consulting fees	3 299 895	3 791 703
	Contributions	174 742	67 657
	Development Programmes	260 430	260 036
	Embellishment of Towns	2 131	1 962
	Entertainment Costs	9 284	8 532
	Fuel	3 570 255	3 519 056
	Gas	63 556	82 488
	Information Signs	1 620	31 893
	Insurance	887 822	784 186
	Municipal Services	1 944 090	2 145 583
	Mosters	522 529	391 377
	Photocopies	44 917	76 456
	Postage	34 788	55 067
	Printing and Stationary	905 504	833 401
	Prodiba payments	256 829	266 388
	Public Entertainment	124 846	103 326
	Rental	75 004	112 482
	Rental external networks-IT	1 306 634	1 433 425
	Security Costs	671 780	605 083
	Service Connection Fees	280 798	320 853
	Services	102 541	136 708
	Subscription Fees	831 889	776 158
	Survey Costs	16 750	14 061
	Telephone	1 150 361	1 346 323
	Training Costs	961	24 951
	Travel and Subsistence	1 767 938	1 378 678
	Valuation Costs	1 358 905	80 000
	Other	2 031 113	1 070 740
	<b>General Expenses</b>	<b>25 879 976</b>	<b>23 789 487</b>
<b>39</b>	<b>CORRECTION OF ERROR IN TERMS OF GRAP 3</b>		
<b>39.01</b>	<b>(a)</b> First time recognition of Other Assets at Cost as at 1 July 2007. This is now corrected with the following entries. Dt Other Assets at Cost Opening balance R330 414.58, (Ct) Accumulated Surplus Prior Year R 330 414.58, Dt Accumulated Surplus Prior Year, R154 193.47, and (Ct) Accumulated Depreciation Opening balance R154 193.47. Dt Accumulated Surplus Current Year R22 027.64 and (Ct) Accumulated Depreciation 2014/15 R 22 027.64		
	<b>(b)</b> First time recognition of Land&Buildings at Cost as at 1 July 2007. This is now corrected with the following entries. Dt Land&Buildings at Cost Opening balance R129 500, (Ct) Accumulated Surplus Prior Year R129 500. Dt Accumulated Surplus Prior Year R7 175, (Ct) Accumulated Depreciation Land&Buildings Opening balance R7 175. Dt Accumulated Surplus Current Year R1 014, (Ct) Accumulated Depreciation 2014/15 R1 014		
	<b>(c)</b> Correction of error - Duplicate asset Erf 163 Doringbaai on Investment Property. This is now corrected with the following entries. Dt Accumulated Surplus Opening balance R8000, (Ct) Investment Property Opening balance R8000		
	<b>(d)</b> Correction of Infrastructure Assets - Lutzville Housing IRDP External Services, Payment Certificate 3 2012/13 only paid in during 2015/16 financial year. This is now corrected with the following entries. (Dt) Infrastructure Assets at Cost Opening balance, R 921 848.20, (Ct) Accumulated Surplus Prior Year R921 848.20. Dt Accumulated Surplus Prior Year R31 812.30, (Ct) Accumulated Depreciation Infrastructure assets Opening Balance R31 812.30. Dt Accumulated Surplus Current year R31 812.30, and (Ct) Accumulated Depreciation Infrastructure 2014/15 R31 812.30		

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

- (e) Correction of Payables from Exchange Transactions Opening balance - Lutzville Housing IRDP External Services Payment Certificate 3 - 2012/13 not provided for. This was only paid during 2015/16. This is now corrected with the following entries. Dt Accumulated Surplus R921 848.20, (Ct) Payables from Exchange Transactions R921 848.20
- (f) Correction of Unspent Conditional Grants 2014/15 incorrectly classified as Payables from Exchange Transactions. This is now corrected with the following entries. Dt Payables from Exchange Transactions 2014/15 R 1 202 249.53 , (Ct) Unspent Conditional Grants 2014/15 R1 202 249.53
- (g) Correction of Sport & Recreation Unspent grant, grant was spent in prior periods. This grant was spent in prior periods and permission granted to use the remaining funds in 2015/16. This is now corrected with the following entries. Dt Unspent Grants R 785 608.15 and (Ct) Accumulated Surplus Prior Year R 785 608.15
- (h) Correction of interest paid incorrectly provided for in 2014 on Unspent Sport and Recreation Grant. This is now corrected with the following entries. (Dt) Payables from exchange transactions R 54 101.23 and (Ct) Accumulated Surplus Current Year R54 101.23
- (i) Correction of items incorrectly classified as Intangible assets in prior periods. This is now corrected with the following entries. Dt Accumulated Surplus Prior Year R 225 337.33, (Ct) Intangible Assets at Cost Opening balance R225 337.33. Dt Accumulated Impairments Intangible Assets Opening balance R118 807.58, (Ct) Accumulated Surplus Prior Year R118 807.58. Dt. Accumulated Impairments Intangible assets 2014/15 , R15 021 and (Ct) Accumulated Surplus Current Year R15 021.
- (j) Correction of Payables from Exchange transactions, MVS Payment 2014/15 not provided for as outstanding creditor at year end. This is now corrected with the following entries. Dt Accumulated Surplus Current Year 2014/15 R59 125, (Ct) Payables from exchange transactions 2014/15 R 59 125
- (k) Correction of Non-Current Provisions - Landfill sites Opening balance of Ebenhaeser and Koekenaap omitted previously. This is now corrected with the following entries. Dt Capitalised Restoration Cost Opening balance R5 595 076.69, (Ct) Landfill Site Provision Opening balance R5 595 076.69.
- (l) Correction of Non-Current Provisions - Lanfill site interest - Ebenhaeser and Koekenaap omitted previously. This is now corrected with the following entries. Dt Accumulated Surplus Prior Year R834 769.15, (Ct) Landfill Site Provision Opening balance R834 769.15. Dt Accumulated Surplus Current year, R336 818. 23 and (Ct) Landfill Site Provision 2014/15 R336 818.23
- (m) Correction of Landfill Site Accumulated Depreciation - Ebenhaeser and Koekenaap omitted previously. This is now corrected with the following entries. Dt Accumulated Surplus Prior Year R1 387 598 and (Ct) Accumulated Depreciation Landfill site Opening balance R1 387 598. Dt Accumulated Surplus Current Year R460 482 and (Ct) Accumulated Depreciation Landfill Site 2014/15 R 460 482
- (n) Correction of Landfill Site Accumulated Impairments - Ebenhaeser and Koekenaap omitted previously. This is now corrected with the following entries. Dt Accumulated Surplus Prior Year R63 144 and (Ct) Accumulated Impairments Landfill Site Opening balance R63 144. Dt Accumulated Impairments 2014/15 R28043 and (Ct) Accumulated Surplus Current Year R28043
- (o) Correction of Operating Lease Assets 2014/15 - new lease for the Plastic Factory Vanrhynsdorp. This is now corrected with the following entries. Dt Operating Lease Assets 2014/15 R31 097.42 and (Ct) Accumulated Surplus Current year R31 097.42
- (p) Correction of Rental of Facilities 2014/15. Sundry Income- Finance previously incorrectly reported. This is now corrected with the following entries. Dt Rental of Facilities 2014/15 R 129 183 and (Ct) Other Income R 129 183
- (q) Correction of Infrastructure assets at Cost. Project previously shown as WIP, but relates to consultancy fees. This is now corrected with the following entries. Dt Accumulated Surplus Prior Year and (Ct) Infrastructure assets at Cost Opening balance R519 673
- (r) Correction of Infrastructure at Cost 2014/15 WIP - repairs and maintenance items incorrectly purchased against the capital suspense account. This is now corrected with the following entries. Dt Accumulated Surplus Current Year, R267 225 and (Ct) Infrastructure at Cost 2014/15 R267 225
- (s) Correction of Payables from Exchange transactions, Land&Gear 2014/15 not provided for as outstanding creditor at year end. This is now corrected with the following entries. Dt Accumulated Surplus Current Year 2014/15 R60 921, (Ct) Payables from exchange transactions 2014/15 R 60 921
- (t) Correction of Unspent Conditional Grants, as NDPG Funds was spent in full during 2014/15 financial year, and surplus funds to be recognized as revenue. This is now corrected with the following entries. Dt Unspent Conditional Grants 2014/15 R369 388.47, (Ct) Accumulated Surplus Current year R369 388.47

**39.02 Accumulated Surplus/(Deficit)**

	<b>2015 R</b>	<b>2014 R</b>
Balance previously reported	<b>422 359 353</b>	<b>381 856 939</b>
Correction of Other Assets at Cost Opening balance - see note 39.01(a)	330 415	330 415
Correction of Accumulated Depreciation Other assets Opening balance - see note 39.01 (a)	(154 193)	(154 193)
Correction of Accumulated Depreciation Other assets 2014/15 - see note 39.01 (a)	(22 028)	-
Correction of Land & Buildings at Cost Opening balance - see note 39.01 (b)	129 500	129 500
Correction of Accumulated Depreciation Land & Buildings Opening balance - see note 39.01(b)	(7 175)	(7 175)
Correction of Accumulated Depreciation Land & Buildings 2014/15 - see note 39.01(b)	(1 014)	-
Correction of Investment Property Opening balance - see note 39.01( c )	(8 000)	(8 000)
Correction of Infrastructure Assets at Cost Opening balance see note 39.01(d)	921 848	921 848
Correction of Accumulated Depreciation Infrastructure Opening balance see note 39.01(d)	(31 812)	(31 812)
Correction of Accumulated Depreciation Infrastructure 2014/15 - see note 39.01(d)	(31 812)	-
Correction of Payables from Exchange Transactions Opening balance - see note 39.01( e )	(921 848)	(921 848)
Correction of Unspent Grants Opening balance - see note 39.01 ( g )	785 608	785 608
Correction of Payables from Exchange Transactions 2014/15 - see note 39.01(h)	54 101	-
Correction of Intangible Assets at Cost Opening balance - see note 39.01(i)	(225 337)	(225 337)
Correction of Accumulated Amortisation Intangible Assets - see note 39.01(i)	118 808	118 808
Correction of Accumulated Amortisation Intangible assets 2014/15- see note 39.01(i)	15 021	-
Correction of Payables from Exchange Transactions 2014/15 - see note 39.01(j)	(59 125)	-
Correction of Non-Current Provisions Opening balance - see note 39.01 ( l )	(834 769)	(834 769)
Correction of Non-Current Provisions 2014/2015 - see note 39.01 ( l )	(336 818)	-
Correction of Landfill Site Accumulated Depreciation Opening balance - see note 39.01(m)	(1 387 598)	(1 387 598)
Correction of Landfill Site Accumulated Depreciation 2014/15 - see note 39.01(m)	(460 482)	0
Correction of Landfill Site Accumulated Impairments Opening balance - see note 39.01(n)	(63 144)	(63 144)
Correction of Landfill Site Accumulated Impairments 2014/15- see note 39.01(n)	28 043	0
Correction of Operating Lease Asset as at 30 June 2015- see note 39.01(o)	31 097	-
Correction of Infrastructure Assets Opening balance - see note 39.01(q)	(519 673)	(519 673)
Correction of Infrastructure at Cost - WIP 2014/15 - see note 39.01 ( r )	(267 225)	-
Correction of Payables from Exchange transactions 2014/15 - see note 39.01(s)	(60 921)	-
Correction of Unspent Grants 2014/15 - see note 39.01 ( t )	369 388	-
<b>Restated Balance</b>	<b>419 750 209</b>	<b>379 989 567</b>

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		2015 R	2014 R
<b>39.03</b>	<b>Property Plant and Equipment</b>	<b>COST</b>	<b>COST</b>
	Balance previously reported Property Plant & Equipment at Cost	578 155 580	531 823 321
	Correction of Other Assets at Cost Opening balance - see note 39.01(a)	330 415	330 415
	Correction of Land & Buildings at Cost Opening balance <sup>3</sup> - see note 39.01 (b)	129 500	129 500
	Correction of Infrastructure Assets at Cost Opening balance see note 39.01(d)	921 848	921 848
	Correction of Landfill Site at Cost Opening balance - see note 39.01(k)	5 595 077	5 595 077
	Correction of Infrastructure Assets Opening balance - see note 39.01(q)	(519 673)	(519 673)
	Correction of Infrastructure at Cost - WIP 2014/15 - see note 39.01 ( r )	(267 225)	
	<b>Restated Balance</b>	<b>584 345 522</b>	<b>538 280 488</b>
		<b>ACC DEPR</b>	<b>ACC DEPR</b>
	Balance previously reported Accumulated Depreciation Property Plant & Equipment	102 222 356	91 419 877
	Correction of Accumulated Depreciation Other assets Opening balance - see note 39.01 (a)	154 193	154 193
	Correction of Accumulated Depreciation Other assets 2014/15 - see note 39.01 (a)	22 028	-
	Correction of Accumulated Depreciation Land & Buildings Opening balance - see note 39.01(b)	7 175	7 175
	Correction of Accumulated Depreciation Land & Buildings 2014/15 - see note 39.01(b)	1 014	-
	Correction of Accumulated Depreciation Infrastructure Opening balance see note 39.01(d)	31 812	31 812
	Correction of Accumulated Depreciation Infrastructure 2014/15 - see note 39.01(d)	31 812	-
	Correction of Landfill Site Accumulated Depreciation Opening balance - see note 39.01(m)	1 387 598	1 387 598
	Correction of Landfill Site Accumulated Depreciation 2014/15 - see note 39.01(m)	460 482	-
	Correction of Landfill Site Accumulated Impairments Opening balance - see note 39.01(n)	35 101	-
	<b>Restated Balance</b>	<b>104 353 571</b>	<b>93 000 655</b>
<b>39.04</b>	<b>Investment Property</b>		
	Balance previously reported	65 969 831	62 378 400
	Correction of Investment Property Opening balance - see note 39.01( c )	(8 000)	(8 000)
	<b>Restated Balance</b>	<b>65 961 831</b>	<b>62 370 400</b>
<b>39.05</b>	<b>Payables from Exchange Transactions</b>		
	Balance previously reported	23 856 489	
	Correction of Payables from Exchange Transactions 2014/15 - see note 39.01(h)	(54 101)	-
	Correction of Payables from Exchange Transactions 2014/15 - see note 39.01(j)	59 125	-
	Correction of Payables from Exchange Transactions 2014/15 - see note 39.01(f)	(1 202 250)	-
	Correction of Payables from Exchange Transactions Opening balance - see note 39.01( e )	921 848	-
	Correction of Payables from Exchange transactions 2014/15 - see note 39.01(s)	60 921	-
	<b>Restated Balance</b>	<b>23 642 032</b>	<b>-</b>
<b>39.06</b>	<b>Unspent Conditional Government Grants and Receipts</b>		
	Balance previously reported	2 661 134	6 338 933
	Correction of Unspent Grants Opening balance - see note 39.01 ( g )	(785 608)	(785 608)
	Correction of Unspent Grants 2014/15 - see note 39.01 ( t )	(369 388)	
	<b>Restated Balance</b>	<b>1 506 137</b>	<b>5 553 325</b>
<b>39.07</b>	<b>Intangible Assets</b>	<b>COST</b>	<b>COST</b>
	Balance previously reported	773 006	773 006
	Correction of Intangible Assets at Cost Opening balance - see note 39.01(i)	(225 337)	(225 337)
	<b>Restated Balance</b>	<b>547 669</b>	<b>547 669</b>
		<b>ACC Amortisation</b>	<b>ACC Amortisation</b>
	Balance previously reported	399 011	348 846
	Correction of Accumulated Amortisation Intangible Assets - see note 39.01(i)	(118 808)	(118 808)
	Correction of Accumulated Amortisation Intangible assets 2014/15- see note 39.01(i)	(15 021)	-
	<b>Restated Balance</b>	<b>265 182</b>	<b>230 039</b>
<b>39.08</b>	<b>Non-Current Provisions</b>		
	Balance previously reported	43 970 037	36 151 776
	Correction of Non-Current Provisions Opening Balance - see note 39.01(k)	5 595 077	5 595 077
	Correction of Non-Current Provisions Opening balance - see note 39.01 ( l )	834 769	834 769
	Correction of Non-Current Provisions 2014/2015 - see note 39.01 ( l )	336 818	-
	<b>Restated Balance</b>	<b>50 736 701</b>	<b>42 581 622</b>
<b>39.09</b>	<b>Operating Lease Assets</b>		
	Balance previously reported	27 147	
	Correction of Operating Lease Asset as at 30 June 2015- see note 39.01(o)	31 097	
	<b>Restated Balance</b>	<b>58 244</b>	<b>-</b>



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	<b>2016</b>	<b>2015</b>
	<b>R</b>	<b>R</b>
<b>40 RECONCILIATION BETWEEN NET SURPLUS FOR THE YEAR AND CASH GENERATED BY OPERATIONS</b>		
Surplus for the year	42 184 382	44 370 642
<b>Adjustments for:</b>		
Depreciation and Amortisation	12 884 742	12 067 395
Finance Charges - Landfill Sites	2 440 494	2 230 577
Grants received	76 933 000	72 214 000
Grants recognised as revenue	(77 628 434)	(76 261 188)
Debt Impairment	11 652 698	10 016 708
Bad Debts Written off	(10 592 182)	(4 562 763)
Contribution from/to employee benefits - non-current	4 176 951	3 581 475
Contribution from/to employee benefits - non-current - expenditure incurred	(1 225 453)	(1 332 145)
Actuarial Losses	137 346	1 881 691
Actuarial Gains	(469 745)	(67 468)
Contribution to employee benefits – current	5 492 192	4 992 517
Contribution to employee benefits – current - expenditure incurred	(4 844 932)	(4 405 065)
Surplus recognised on changes in landfill site provision estimates	-	(1 918 847)
Impairment reversal	(106 435)	(87 825)
Operating lease income accrued	(24 097)	(23 843)
Loss on disposal of Property, Plant and Equipment	1 024 725	216 229
Fair value adjustments	3 165 131	(3 591 431)
Contribution Property Plant and Equipment	(27 281 333)	(11 560 003)
Operating Surplus before changes in working capital	37 919 049	47 760 657
Changes in working capital	(7 686 464)	(7 586 386)
Increase/(Decrease) in Payables from Exchange Transactions	(3 684 742)	1 905 598
Increase/(Decrease) in Taxes	471 266	(222 867)
(Increase)/Decrease in Inventory	(81 498)	(13 354)
Increase in Receivables from Exchange Transactions	(2 017 797)	(6 718 749)
Increase in Receivables from Non-Exchange Transactions	(2 373 693)	(2 537 015)
<b>Cash generated by operations</b>	<b>30 232 586</b>	<b>40 174 270</b>
<b>41 CASH AND CASH EQUIVALENTS</b>		
Cash and cash equivalents included in the cash flow statement comprise the following:		
Cash Floats - Note 19	5 850	6 150
Bank - Note 19	8 870 324	10 726 798
Call Investment Deposits	1 634 352	-
<b>Total cash and cash equivalents</b>	<b>10 510 526</b>	<b>10 732 948</b>
<b>42 RECONCILIATION OF AVAILABLE CASH AND INVESTMENT RESOURCES</b>		
Cash and Cash Equivalents - Note 41	10 510 526	10 732 948
Less:	4 185 703	6 494 840
Unspent Committed Conditional Grants - Note 9	810 703	1 506 136
VAT Payable - Note 10	-	378 704
Capital Replacement Reserve - Note 2	3 375 000	4 610 000
<b>Net cash resources available for internal distribution/(resources utilised for internal distribution)</b>	<b>6 324 823</b>	<b>4 238 108</b>
<b>43 UTILISATION OF LONG-TERM LIABILITIES RECONCILIATION</b>		
Long-term Liabilities - note 3	25 969 551	30 074 936
Used to finance property, plant and equipment - at cost	(25 969 551)	(30 074 936)
<b>Cash invested for repayment of long-term liabilities</b>	<b>-</b>	<b>-</b>

Long-term liabilities have been utilized in accordance with the Municipal Finance Management Act.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

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**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		2016 R	2015 R			
44.5	<b><u>Non-Material Losses</u></b>					
	<b>Water distribution losses</b>					
	- Kilo litres purchased	3 367 646	3 911 821			
	- Kilo litres lost during distribution	15 976	377 596			
	- Percentage lost during distribution	0.47%	9.65%			
45	<b><u>Additional disclosures in terms of Municipal Financial Management Act</u></b>					
45.1	<b>Contributions to organised local government - [MFMA 125 (1)(b)] - SALGA CONTRIBUTIONS</b>					
	Opening balance	-	-			
	Council subscriptions	927 020	773 521			
	Amount paid - current year	(927 020)	(773 521)			
	Amount paid - previous years	-	-			
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
45.2	<b>Audit fees - [MFMA 125 (1)(b)]</b>					
	Opening balance	-	-			
	Current year audit fee	1 911 033	1 741 199			
	External Audit - Auditor-General	1 911 033	1 741 199			
	Amount paid - current year	(1 911 033)	(1 741 199)			
	Amount paid - previous year	-	-			
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
45.3	<b>VAT - [MFMA 125 (1)(b)]</b>					
	Opening balance	(378 703)	(368 731)			
	Amounts received - current year	(2 591 089)	(1 017 236)			
	Amounts paid - current year	3 000 980	1 828 067			
	Amounts (received)/paid - previous years	378 703	368 731			
	Amounts claimed - current year	35 429	(1 189 534)			
	<b>Closing balance - (Payable)/Receivable</b>	<b>445 321</b>	<b>(378 703)</b>			
	VAT in suspense due to cash basis of accounting					
	Input VAT	1 474 991	1 871 968			
	Output VAT	(1 964 899)	(1 291 060)			
	Claimable/(Payable)	<b>(489 908)</b>	<b>580 908</b>			
	VAT is payable/receivable on the cash basis. VAT is only paid over to SARS once cash is received from debtors and only claimed from SARS once payment is made to creditors.					
45.4	<b>PAYE, SDL and UIF - [MFMA 125 (1)(b)]</b>					
	Opening balance	-	714 506			
	Current year payroll deductions and Council Contributions	11 900 708	10 018 386			
	Amount paid - current year	(11 900 708)	(10 732 892)			
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
45.5	<b>Pension and Medical Aid Deductions - [MFMA 125 (1)(b)]</b>					
	Opening balance	-	-			
	Current year payroll deductions and Council Contributions	21 845 521	19 275 340			
	Amount paid - current year	(21 845 521)	(19 275 340)			
	<b>Balance unpaid (included in creditors)</b>	<b>-</b>	<b>-</b>			
45.6	<b>Councillor's arrear consumer accounts - [MFMA 124 (1)(b)]</b>	<b>Outstanding more than 90 days</b>	<b>Outstanding more than 90 days</b>			
	The following Councillors had arrear accounts for more than 90 days during the financial year.					
	Councillor F Bam		772			
	Councillor EL Mqingqi	42 933	38 558			
	Councillor M J Smith	642	626			
	Councillor BB Julies	3 552	-			
	Councillor D Okhuis	848	-			
	Councillor R Stephan	-	1 973			
	<b>Total Councillor Arrear Consumer Accounts</b>	<b>47 975</b>	<b>41 929</b>			
45.7	<b>Regulation 36(2) - Details of deviations approved by the Accounting Officer in terms of Regulation (36)(1)(a) &amp; (b)</b>					
		<b>Two Suppliers R</b>	<b>Single Supplier R</b>	<b>Sec 5.27 R</b>	<b>Emergency R</b>	<b>Total R</b>
	Jul-15	79 819	178 198	-	1 895	259 912
	Aug-15	19 959	261 784	71 108	12 864	365 715
	Sep-15	13 610	272 567	440 682	-	726 859
	Oct-15	39 210	178 331	89 193	7 518	314 252
	Nov-15	70 694	268 801	94 171	25 194	458 860
	Dec-15	13 080	246 262	46 316	2 650	308 308
	Jan-16	89 116	223 757	381 503	15 456	709 832
	Feb-16	19 440	406 263	79 688	-	505 391
	Mar-16	14 150	390 369	129 350	31 750	565 619
	Apr-16	84 963	439 155	90 110	1 995	616 223
	May-16	122 349	465 111	104 316	6 899	698 675
	Jun-16	184 987	507 559	424 345	29 170	1 146 061
		<b>751 377</b>	<b>3 838 157</b>	<b>1 950 782</b>	<b>135 391</b>	<b>6 675 707</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

		2016 R	2015 R
<b>46</b>	<b>CAPITAL COMMITMENTS</b>		
	<b>Commitments in respect of capital expenditure:</b>		
	Approved and contracted for:		
	Infrastructure	-	2 992 976
		<b>-</b>	<b>2 992 976</b>
	This expenditure will be financed from:		
	Government Grants	-	2 992 976
		<b>-</b>	<b>2 992 976</b>

**47 FINANCIAL RISK MANAGEMENT**

The activities of the Municipality expose it to a variety of financial risks, including market risk (comprising fair value interest rate risk, cash flow interest rate risk and price risk), credit risk and liquidity risk. The Municipality's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the municipality's financial performance.

**(a) Foreign Exchange Currency Risk**

The Municipality does not engage in foreign currency transactions.

**(b) Price risk**

The Municipality is not exposed to price risk.

**(c) Interest Rate Risk**

As the Municipality has significant interest-bearing liabilities, the entity's income and operating cash flows are substantially dependent on changes in market interest rates.

The Municipality analyses its potential exposure to interest rate changes on a continuous basis. Different scenarios are simulated which include refinancing, renewal of current positions, alternative financing and hedging. Based on these scenarios, the entity calculates the impact that a change in interest rates will have on the surplus/deficit for the year. These scenarios are only simulated for liabilities which constitute the majority of interest bearing liabilities.

The Municipality did not hedge against any interest rate risks during the current year.

The potential impact on the entity's surplus/deficit for the year due to changes in interest rates were as follow:

1% (2015 - 1.0%) Increase in interest rates	(108 236)	(126 712)
0.5% (2015 - 0.5%) Decrease in interest rates	54 118	63 356

**(d) Credit Risk**

Credit risk is the risk that a counter party to a financial or non-financial asset will fail to discharge an obligation and cause the Municipality to incur a financial loss.

Credit risk consist mainly of cash deposits, cash equivalents, trade and other receivables and unpaid conditional grants and subsidies.

Receivables are disclosed net after provisions are made for impairment and bad debts. Trade debtors comprise of a large number of ratepayers, dispersed across different sectors and geographical areas. On-going credit evaluations are performed on the financial condition of these debtors. Credit risk pertaining to trade and other debtors is considered to be moderate due the diversified nature of debtors and immaterial nature of individual balances. In the case of consumer debtors the municipality effectively has the right to terminate services to customers but in practice this is difficult to apply. In the case of debtors whose accounts become in arrears, Council endeavours to collect such accounts by "levying of penalty charges", "demand for payment", "restriction of services" and, as a last resort, "handed over for collection", whichever procedure is applicable in terms of Council's Credit Control and Debt Collection Policy.

All rates and services are payable within 30 days from invoice date. Refer to note 16 and 17 for all balances outstanding longer than 30 days. These balances represent all debtors at year end which defaulted on their credit terms.

Receivables of R4 million are pledged as security for financial liabilities.

Due to the short term nature of receivables the carrying value disclosed in note 16 and 17 of the financial statements is an approximation of its fair value. Interest on overdue balances are included at prime lending rate plus 1% where applicable.

	2016 %	2016 R	2015 %	2015 R
<b>The provision for debt impairment could be allocated between the different classes of debtors as follows:</b>				
<u>Non-Exchange Receivables</u>				
Rates	6.52%	2 836 344	8.09%	3 415 375
Fines	5.33%	2 319 529	2.86%	1 208 184
Long Term Receivables	1.05%	458 366	1.27%	537 301
	<b>12.90%</b>	<b>5 614 239</b>	<b>12.22%</b>	<b>5 160 860</b>
<u>Exchange Receivables</u>				
Service Charges	87.10%	37 909 285	87.78%	37 077 675
	<b>100.00%</b>	<b>43 523 524</b>	<b>100.00%</b>	<b>42 238 535</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

	2016 %	2016 R	2015 %	2015 R
<b>The provision for debt impairment could be allocated between the different categories of debtors as follows:</b>				
Water	16.35%	7 115 198	16.16%	6 825 443
Electricity	2.70%	1 174 946	2.68%	1 130 793
Rates	6.42%	2 792 943	7.98%	3 369 560
Rental	0.29%	126 226	0.81%	340 518
Refuse	16.66%	7 250 421	15.95%	6 737 457
Sewerage	19.05%	8 293 335	19.81%	8 366 222
Other exchange	30.98%	13 484 246	31.44%	13 281 029
Loans	1.05%	458 366	1.27%	537 301
Fines	5.33%	2 319 529	2.86%	1 208 184
Indigent debtors	1.17%	508 313	1.05%	442 030
	100.00%	43 523 524	100.00%	42 238 535

**Bad debts written off per financial asset class:**

	2016 %	2016 R	2015 %	2015 R
Financial instruments at amortised cost	100.00%	10 592 182	100.00%	4 562 763
	100.00%	10 592 182	100.00%	4 562 763

**Balances past due not impaired:**

	2016 %	2016 R	2015 %	2015 R
<u>Non-Exchange Receivables</u>				
Rates	43%	2 435 415	31%	1 189 850
	43%	2 435 415	31%	1 189 850
<u>Exchange Receivables</u>				
Service Charges	57%	3 166 799	69%	2 698 046
	100%	5 602 214	100%	3 887 896

As at 30 June 2016, trade receivables of R 11 643 196 (2015: R10 744 051) were fully performing

The entity only deposits cash with major banks with high quality credit standing. No cash and cash equivalents were pledged as security for financial liabilities and no restrictions were placed on the use of any cash and cash equivalents for the period under review. Although the credit risk pertaining to cash and cash equivalents are considered to be low, the maximum exposure are disclosed below.

The risk pertaining to unpaid conditional grants and subsidies are considered to be very low. Amounts are receivable from national and provincial government and there are no expectation of counter party default.

Long-term Receivables, Receivables from Exchange Transactions and Receivables from Non-Exchange Transactions are individually evaluated annually at year end for impairment.

	2016 R	2015 R
Financial assets exposed to credit risk at year end are as follows:		
Long-term receivables	458 366	537 301
Receivables from exchange transactions	12 891 622	11 705 436
Receivables from non-exchange transactions	6 946 548	5 105 169
Cash and Cash Equivalents	10 510 526	10 732 948
	<b>30 807 062</b>	<b>28 080 854</b>

**(e) Liquidity Risk**

Prudent liquidity risk management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities. Due to the dynamic nature of the underlying business, the treasury maintains flexibility in funding by maintaining availability under credit lines.

The entity's risk to liquidity is a result of the funds available to cover future commitments. The Municipality manages liquidity risk through an on-going review of future commitments and credit facilities.

The table below analyses the entity's financial liabilities into relevant maturity groupings based on the remaining period at the financial year end to the contractual maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows. Balances due within 12 months equal their carrying balances as the impact of discounting is not significant.

	Less than 1 year	Between 1 and 5 years	Between 5 and 10 years	Over 10 years
<b>2016</b>				
Non-current Provisions	-	-	90 206 117	-
Capital	-	-	55 951 967	-
Interest	-	-	34 254 150	-
Long Term liabilities	7 268 168	22 055 091	19 391 588	-
Payables from Exchange Transactions	17 119 387	-	-	-
Unspent conditional government grants and receipts	810 703	-	-	-
	<b>25 198 258</b>	<b>22 055 091</b>	<b>109 597 705</b>	<b>-</b>
<b>2015</b>				
Non-current Provisions	-	-	76 983 537	-
Capital	-	-	50 736 702	-
Interest	-	-	26 246 835	-
Long Term liabilities	7 736 463	25 243 903	21 179 708	-
Payables from Exchange Transactions	19 687 669	-	-	-
Unspent conditional government grants and receipts	1 506 136	-	-	-
	<b>28 930 268</b>	<b>25 243 903</b>	<b>98 163 245</b>	<b>-</b>

**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016**

				2016 R	2015 R	
48	FINANCIAL INSTRUMENTS					
	In accordance with GRAP 104 the financial instruments of the Municipality are classified as follows:					
48.1	Financial Assets					
	Financial instruments at amortised cost					
	Long-Term Receivables			112 151	154 669	
	Receivables from exchange transactions			12 891 622	11 705 436	
	Current Portion of Long-term Receivables			346 214	382 632	
	Cash and Cash Equivalents			10 510 526	10 732 948	
	Total carrying amount of financial assets			23 860 514	22 975 685	
48.2	Financial Liability					
	Financial instruments at amortised cost					
	Long-term Liabilities			25 969 551	30 074 936	
	Payables from exchange transactions			19 585 739	23 326 915	
	Unspent Conditional Government Grants and Receipts			810 703	1 506 136	
	Current Portion of Long-term Liabilities			4 082 984	4 439 281	
				50 448 977	59 347 268	
49	STATUTORY RECEIVABLES					
	In accordance with the principles of GRAP 108, Statutory Receivables of the municipality are classified as follows:					
	Taxes					
	VAT Receivable			-	202 204	
	Receivables from Non-Exchange Transactions			5 606 059	3 964 714	
	Rates			4 583 614	3 190 162	
	Fines			1 022 445	774 552	
				5 606 059	4 166 918	
50	EVENTS AFTER THE REPORTING DATE					
	No such instances					
51	IN-KIND DONATIONS AND ASSISTANCE					
	The Municipality did not receive any in-kind donations or assistance during the year under review.					
52	PRIVATE PUBLIC PARTNERSHIPS					
	Council has not entered into any private public partnerships during the financial year.					
53	CONTINGENT LIABILITIES					
	The municipality is not currently engaged in litigation which could result in damages/costs being awarded against Council if claimants are successful in their actions.					
54	RELATED PARTIES					
54.1	Related Party Loans					
	Since 1 July 2004 loans to councillors and senior management employees are not permitted.					
54.2	Compensation of key management personnel					
	The compensation of key management personnel is set out in note 28 to the Annual Financial Statements.					
54.3	Other related party transactions					
	The following purchases were made during the year where Councillors or staff have an interest:					
				2016	2015	
	Supplier	Relationship	Department	Position		
	Autopage Cellular	Owner: Husband - Lize Kleinhans	Finance	Accountant: Salaries	210 603	448 854
	Compu Traders	Owner: Son - E Mouton	Local Economic Development	Public Relations Officer	-	1 338
	HD Meyer	Owner: Husband - Heleen Meyer	Finance	Accountant: SCM + Expenditure	31 053	-
	MAC Daries	Owner: Daughter - Michinon	Finance	Cashier	22 112	23 096
	Sunfox	Owner: Daughter - Michinon	Finance	Cashier	30 503	21 528
	Total			294 271	494 816	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

## 55 EXPLANATORY NOTES TO THE STATEMENT OF COMPARISON OF BUDGET AND ACTUAL

## 55.1 COMPARISON OF ACTUAL FIGURES vs THE FINAL BUDGET

Statement of Financial Position**Current Assets:**

Cash	During budget process the debt collection rate were anticipated to be better than actual. This resulted in cash budget to be overstated at year end
Call investment deposits	Call investment deposits were not budgeted separately, this was included in the bank balance as at year end during budget process 2015/16
Consumer debtors	Contribution to bad debt impairment was less than budgeted, therefore reflecting the consumer debtors to be more than budgeted.
Other Receivables	Other receivables budgeted included an increase in operating leases, this was not realised during the 2015/16 financial year
Inventory	Increase in water stock was not adjusted accordingly during budget process 2015/16

**Non current assets**

Long-term receivables	Decrease in debt impairment on long term receivables were not budgeted during 2015/16. This resulted in the nett long term receivables being less than anticipated
Intangible Assets	Intangible Assets were written off during 2015/16 - not budgeted originally

**Current liabilities**

Trade and other payables	Budget was originally increased due to cash flow constraints. This improved during the year, and most creditors could be paid before year end
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**Community Wealth**

Reserves	During the compilation of the AFS, the actual capital expenditure budget in the 2016/17 financial year was seen as a more accurate contribution to the CRR. Therefore the deviation between budget and actual.
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Statement of Financial Performance - Revenue

Interest earned - external investments	Interest on call investment deposits were not budgeted for and interest positive bank was more than anticipated.
Interest earned - outstanding debtors	Debt Collection measures were stricken and interest levied on all outstanding debt.
Fines	Included in this figure is provincial and municipal fine income, that was more than anticipated.
Licences and permits	License and permits were over estimated during the budget process
Other income	Other income include Contributing PPE from Department of Land Reforms and Department of Housing - not budgeted for
Gain on disposal of Property, Plant and Equipment	There was a nett loss on disposal of PPE, mainly due to the Investment Property that was sold for less than Fair Value

Statement of Financial Performance - Expenditure

Debt Impairment	Debt impairment budget was based on previous years collection rate and bad debt written-off amounts, this was seen to be over estimated and actual expenditure was less
Contracted services	The budget included a service provider for speed camera fines, which was only appointed during the last quarter of 2015/16. No services have been rendered at year end, thus no payment were made
Loss on disposal of Property, Plant and Equipment	There is a nett loss on disposal of PPE, mainly due to the Investment Property being sold for less than fair value, and the disposal of other assets not budgeted for

Cash Flow StatementReceipts:

Interest	Included in this interest landfill site interest of Ebenhaeser and Koekenaap not budgeted previously. These two sites are recognized for the first time in the AFS 2015/16
Proceeds on disposal of Assets	There is no proceeds on disposal of PPE, only a nett loss. The properties budgeted for sale was sold at less than fair value
Decrease (increase) in non-current debtors	The movement long term debtors were not taken into account during the budget process of 2015/16.
Decrease/(increase) in non-current receivables	The non-current receivables was included incorrectly in the budgeted during 2015/16, this amount should have been included under 'non-current
Increase/(decrease) in consumer deposits	The increase in consumer deposits was less than anticipated during budget process 2015/16

**Payments:**

Capital assets	Capital budget of Technical was over estimated at planning fase mainly on Project - Alpha Street Rehabilitation and Klawer WTW. Provision was made for contingencies.
Cash and Cash Equivalents at the end of the year	During budget process the debt collection rate were anticipated to be better than actual. This resulted in cash&cash equivalents to be overstated in the budget

## 55.2 COMPARISON OF ADJUSTMENTS BUDGET vs APPROVED BUDGET

Statement of Financial Position**Current Assets:**

Cash	During revised budget process the debt collection rate were forecasted to me more than originally planned, this was adjusted upwards
Consumer debtors	Original Budget did not include provision of Debt Impairment, this was now corrected.
Other Receivables	Other receivables budgeted includes an increase in operating leases, not budgeted originally
Inventory	Budget was adjusted to be in line with the final audited AFS 2015 to include the movement in water inventory.

**Non current assets:**

Property, plant and equipment	Budget was adjusted to be in line with the final audited AFS 2015, and the capital additions of 2015/16 added accordingly. During first approved budget, the additions 2014/15 was not yet available
Intangible Assets	Budget was adjusted to be in line with the final audited AFS 2015, disposals not budgeted originally.

**Current liabilities:**

Consumer deposits	Budget was adjusted to be in line with the final audited AFS 2015, percentage growth and tariff increases not taken into account originally
Provisions and Employee Benefits	Budget was adjusted to be in line with the final audited AFS 2015, actuary reports and reports from consulting enigneers only became available during audit

**Non current liabilities**

Borrowing	Budget was adjusted to be in line with the actual amortisation tables for loans.
Non-Current Provisions and Employee Benefits	Budget was adjusted to be in line with the final audited AFS 2015, actuary reports and reports from consulting enigneers only became available during audit

**Community Wealth**

Reserves	Capital Replacement Reserve budget was adjusted to be in line with the final audited AFS 2015, and seen as more accurate figure than originally budgeted
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## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

**Statement of Financial Performance - Revenue**

Rental of facilities and equipment	The budget was adjusted downwards, to be in line with actual forecasted figures during the revised budget process of 2015/16
Interest earned - external investments	The budget was adjusted upwards to make provision of the interest earned on the call investment deposits and actual forecasted figures for interest earned on the positive cash balance

**Statement of Financial Performance - Expenditure**

Debt impairment	Budget was adjusted to correspond to actual contributions made during 2014/15. Figures was not yet available originally during budget approval
Finance charges	Budget was adjusted upwards for Non-Current Provision interest charges. This is due to the actuary and consulting engineer reports that became available after audit 2015

**Cash Flow Statement****Receipts:**

Interest	The budget was adjusted upwards to make provision of the interest earned on the call investment deposits and actual forecasted figures for interest earned on the positive cash balance
Decrease/(increase) in non-current receivables	Movement on non-current receivables were not budgeted accordingly during 2015/16
Increase/(decrease) in consumer deposits	Budget was adjusted to be in line with the final audited AFS 2015, percentage growth and tariff increases not taken into account originally

**Payments:**

Repayment of borrowing	Budget was adjusted to be in line with the final audited AFS 2015 and amortisation tables. DBSA loans are on semi-floating rates, and repayment needed to be adjusted
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**FINANCIAL SUSTAINABILITY**

Management is of the opinion that the Municipality will continue to operate as a going concern and perform its functions as set out in the Constitution.

**Financial Indicators**

The current ratio improved to 0.84:1 from 0.69:1 in the prior year.

The municipality has budgeted for positive cash flows during 2016/2017 and 2017/2018 amounting to R20 051 000 and R20 940 000 respectively.

The payables on exchanges transactions decreased from 2014/15 to 2015/16 with R3 684 742.40

**Other Indicators**

Possible outflow of recourses due the contingent liabilities disclosed in note 53



**MATZIKAMA MUNICIPALITY**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015**

**11 PROPERTY, PLANT AND EQUIPMENT**

**30 JUNE 2016**

**Reconciliation of Carrying Value**

Reconciliation of Carrying Value	COST									Accumulated Depreciation and Impairment Losses						Carrying Value
	Transfer of															
	Opening Balance	Functions	Additions	Revaluation	Contributing PPE	Under Construction	Transfers from	Disposals	Closing Balance	Opening Balance	Depreciation Charge	Transfers	Disposals	Impairments	Closing Balance	
	R		R	R	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	53 062 719	-	158 701	18 000	-	-	(35 500)	-	53 203 920	3 017 300	403 958	-	-	-	3 421 258	49 782 662
Land	14 277 082	-	-	18 000	-	-	(35 500)	-	14 259 582	-	-	-	-	-	-	14 259 582
Buildings	38 785 637	-	158 701	-	-	-	-	-	38 944 338	3 017 300	403 958	-	-	-	3 421 258	35 523 080
Infrastructure	404 938 670	-	22 604 886	-	27 281 333	2 381 965	-	(856 185)	456 350 668	84 140 331	10 068 596	-	(212 570)	(106 435)	93 889 922	362 460 746
Storm water and Roads	97 441 303	-	8 433 164	-	11 536 261	-	-	(133 815)	117 276 913	18 829 471	2 849 773	-	(80 756)	-	21 598 489	95 678 424
Sewerage	164 622 105	-	1 295 188	-	9 645 952	934 529	-	(558 986)	175 938 788	17 843 195	2 910 843	-	(55 844)	-	20 698 193	155 240 595
Electricity	41 817 002	-	1 863 393	-	-	1 315 789	-	(40 062)	44 956 122	15 768 868	1 307 739	-	(16 828)	-	17 059 779	27 896 343
Water	73 873 054	-	8 203 369	-	6 099 120	131 646	-	(123 322)	88 183 867	18 037 990	1 124 740	-	(59 142)	-	19 103 587	69 080 280
Solid Waste Disposal	199 887	-	35 000	-	-	-	-	-	234 887	93 281	13 632	-	-	-	106 913	127 974
Landfill Sites	26 985 319	-	2 774 772	-	-	-	-	-	29 760 091	13 567 528	1 861 868	-	-	(106 435)	15 322 961	14 437 130
Community Assets	101 829 516	-	1 908 298	1 271 000	-	-	(7 201 000)	-	97 807 814	4 612 453	597 569	(314 400)	-	-	4 895 621	92 912 193
Parks and Gardens	21 696 180	-	1 049 869	764 000	-	-	(2 071 000)	-	21 439 049	69 658	12 451	-	-	-	82 109	21 356 940
Libraries	1 973 320	-	166 086	-	-	-	-	-	2 139 406	122 339	60 537	-	-	-	182 876	1 956 530
Recreation Grounds	43 663 873	-	632 435	-	-	-	-	-	44 296 308	2 032 726	271 913	-	-	-	2 304 639	41 991 669
Taxi Ranks & Parking Areas	5 252 500	-	-	-	-	-	-	-	5 252 500	86 208	10 810	-	-	-	97 018	5 155 482
Cemeteries	685 000	-	-	-	-	-	-	-	685 000	1 680	210	-	-	-	1 890	683 110
Community Buildings	28 558 643	-	59 909	507 000	-	-	(5 130 000)	-	23 995 551	2 299 842	241 647	(314 400)	-	-	2 227 089	21 768 462
Other Assets	24 514 617	-	2 718 947	-	-	-	-	(491 004)	26 742 560	12 583 487	1 779 477	-	(296 644)	-	14 066 319	12 676 241
Office Equipment	3 832 794	-	207 156	-	-	-	-	(252 720)	3 787 230	2 121 038	262 248	-	(168 298)	-	2 214 988	1 572 241
Motor vehicles	18 121 857	-	2 244 163	-	-	-	-	(50 738)	20 315 281	9 129 116	1 297 509	-	(23 254)	-	10 403 371	9 911 911
Plant & Equipment	2 226 671	-	102 154	-	-	-	-	(134 163)	2 194 662	1 220 925	182 252	-	(85 951)	-	1 317 226	877 436
Computer equipment	333 295	-	165 475	-	-	-	-	(53 382)	445 387	112 408	37 468	-	(19 142)	-	130 734	314 654
	584 345 522	-	27 390 832	1 289 000	27 281 333	2 381 965	(7 236 500)	(1 347 189)	634 104 963	104 353 571	12 849 599	(314 400)	(509 214)	(106 435)	116 273 121	517 831 842

A register containing the information required by section 63 of the Municipal Finance Management Act is available for inspection at the registered office of the Municipality.

**The effect of the Change in Accounting estimates due to the review of useful lives and residual values is as follows:**

Increase / (Decrease) in depreciation on other assets for the year  
Increase / (Decrease) in depreciation on infrastructure assets for the year

2016 R	2017 R	2018 R
(264 381)	(700 462)	(700 462)
555 416	555 416	555 416
<b>291 035</b>	<b>(145 046)</b>	<b>(145 046)</b>

The change in accounting estimate for Other assets in 2017 and 2018, are based on the assumption that the residual values will stay the same.

MATZIKAMA MUNICIPALITY

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015

30 JUNE 2015

Reconciliation of Carrying Value

Reconciliation of Carrying Value	COST									Accumulated Depreciation and Impairment Losses						Carrying Value
	Opening Balance	Transfer of Functions	Additions	Revaluation	Contributing PPE	Under Construction	Transfers	Disposals	Closing Balance	Opening Balance	Depreciation Charge	Transfers	Disposals	Impairments	Closing Balance	
	R		R	R	R	R	R	R	R	R	R	R	R	R	R	
Land and Buildings	48 932 062	-	222 763	-	3 907 895	-	-	-	53 062 719	2 644 697	372 603	-	-	-	3 017 300	50 045 419
Land	14 277 082	-	-	-	-	-	-	-	14 277 082	-	-	-	-	-	-	14 277 082
Balance previously reported	14 250 082	-	-	-	-	-	-	-	14 250 082							14 250 082
Correction of error see note	27 000								27 000							27 000
Buildings	34 654 980	-	222 763	-	3 907 895	-	-	-	38 785 637	2 644 697	372 603	-	-	-	3 017 300	35 768 337
Balance previously reported	34 552 480	-	222 763	-	3 907 895	-	-	-	38 683 137	2 637 522	371 589	-	-	-	3 009 111	35 674 026
Correction of error see note	102 500								102 500	7 175	1 014				8 189	94 311
Infrastructure	368 305 633	-	18 941 674	-	7 652 105	10 486 660	-	(447 401)	404 938 670	75 068 423	9 159 733	-	-	(87 825)	84 140 331	320 798 339
Storm water and Roads	90 524 685	-	6 916 618	-	-	-	-	-	97 441 303	16 416 787	2 412 684	-	-	-	18 829 471	78 611 832
Balance Previously Reported	90 460 718	-	6 916 618	-	-	-	-	-	97 377 336	16 388 357	2 384 254	-	-	-	18 772 610	78 604 726
Correction of error - see note 39.01 (d)	583 639	-	-	-	-	-	-	-	583 639	28 430	28 430	-	-	-	56 860	526 779
Correction of error - see note 39.01 (q)	(519 673)	-	-	-	-	-	-	-	(519 673)	-	-	-	-	-	-	(519 673)
Sewerage	148 119 455	-	1 313 638	-	4 702 352	10 486 660	-	-	164 622 105	15 341 286	2 501 909	-	-	-	17 843 195	146 778 911
Balance Previously Reported	147 884 298	-	1 313 638	-	4 702 352	10 753 885	-	-	164 654 173	15 338 934	2 499 557	-	-	-	17 838 491	146 815 681
Correction of error - see note 39.01 (d)	235 157	-	-	-	-	-	-	-	235 157	2 352	2 352	-	-	-	4 703	230 454
Correction of error - see note 39.01 (r)	-	-	-	-	-	(267 225)	-	-	(267 225)	-	-	-	-	-	-	(267 225)
Electricity	40 612 793	-	1 204 209	-	-	-	-	-	41 817 002	13 203 011	2 565 856	-	-	-	15 768 868	26 048 134
Water	69 706 843	-	1 216 459	-	2 949 752	-	-	-	73 873 054	17 025 905	1 012 085	-	-	-	18 037 990	55 835 065
Balance Previously Reported	69 603 791	-	1 216 459	-	2 949 752	-	-	-	73 770 002	17 024 875	1 011 054	-	-	-	18 035 929	55 734 074
Correction of error - see note 39.01 (d)	103 052	-	-	-	-	-	-	-	103 052	1 031	1 031				2 061	100 991
Solid Waste Disposal	199 887	-	-	-	-	-	-	-	199 887	79 955	13 326	-	-	-	93 281	106 606
Landfill Sites	19 141 970	-	8 290 750	-	-	-	-	(447 401)	26 985 319	13 001 480	653 873	-	-	(87 825)	13 567 528	13 417 791
Balance Previously Reported	13 546 894	-	8 290 750	-	-	-	-	(447 401)	21 390 242	11 550 738	193 391	-	-	(59 781)	11 684 348	9 705 894
Correction of error - see note 39.01 (k)	5 595 077	-	-	-	-	-	-	-	5 595 077	-	-	-	-	-	-	5 595 077
Correction of error - see note 39.01 (m)	-	-	-	-	-	-	-	-	-	1 387 598	460 482	-	-	-	1 848 079	(1 848 079)
Correction of error - see note 39.01 (n)	-	-	-	-	-	-	-	-	-	63 144	-	-	-	(28 043)	35 101	(35 101)
Community Assets	96 532 352	-	5 297 164	-	-	-	-	-	101 829 516	4 093 721	518 732	-	-	-	4 612 453	97 217 063
Parks and Gardens	21 696 180	-	-	-	-	-	-	-	21 696 180	59 759	9 899	-	-	-	69 658	21 626 522
Libraries	982 531	-	990 789	-	-	-	-	-	1 973 320	111 361	10 978	-	-	-	122 339	1 850 981
Recreation Grounds	39 497 696	-	4 166 177	-	-	-	-	-	43 663 873	1 819 681	213 045	-	-	-	2 032 726	41 631 147
Taxi Ranks and Parking Areas	5 252 500	-	-	-	-	-	-	-	5 252 500	75 398	10 810	-	-	-	86 208	5 166 292
Cemeteries	685 000	-	-	-	-	-	-	-	685 000	1 470	210	-	-	-	1 680	683 320
Community Buildings	28 418 445	-	140 197	-	-	-	-	-	28 558 643	2 026 052	273 790	-	-	-	2 299 842	26 258 801
Other Assets	24 510 442	-	875 060	-	-	-	-	(870 885)	24 514 617	11 256 959	1 981 184	-	(654 656)	-	12 583 487	11 931 130
Office Equipment	3 717 619	-	227 646	-	-	-	-	(112 470)	3 832 794	1 925 174	270 725	-	(74 861)	-	2 121 038	1 711 756
Balance Previously Reported	3 492 345	-	227 646	-	-	-	-	(112 470)	3 607 521	1 820 046	255 707	-	(74 861)	-	2 000 892	1 606 629
Correction of error see note - 39.01 (a)	225 273								225 273	105 128	15 018				120 146	105 128
Motor vehicles	18 277 085	-	477 706	-	-	-	-	(632 934)	18 121 857	8 138 990	1 489 835	-	(499 709)	-	9 129 116	8 992 741
Plant & Equipment	2 219 537	-	118 507	-	-	-	-	(111 373)	2 226 671	1 108 013	189 604	-	(76 693)	-	1 220 925	1 005 746
Balance Previously Reported	2 130 682	-	118 507	-	-	-	-	(111 373)	2 137 816	1 066 548	183 681	-	(76 693)	-	1 173 536	964 280
Correction of error see note - 39.01 (a)	88 855								88 855	41 466	5 924				47 389	41 466
Computer equipment	296 201	-	51 201	-	-	-	-	(14 108)	333 295	84 782	31 019	-	(3 393)	-	112 408	220 887
Balance Previously Reported	279 915	-	51 201	-	-	-	-	(14 108)	317 009	77 181	29 934	-	(3 393)	-	103 722	213 287
Correction of error see note - 39.01 (a)	16 286								16 286	7 600	1 086				8 686	7 600
	538 280 488	-	25 336 660	-	11 560 000	10 486 660	-	(1 318 286)	584 345 522	93 063 800	12 032 252	-	(654 656)	(87 825)	104 353 571	479 991 951

**APPENDIX A - Unaudited**  
**MATZIKAMA MUNICIPALITY**  
**SCHEDULE OF EXTERNAL LOANS AS AT 30 JUNE 2016**

EXTERNAL LOANS	Rate	Loan Number	Redeemable	Balance at 30 JUNE 2015	Balance at 30 JUNE 2015 Restated	Received during the period	Redeemed written off during the period	Balance at 30 JUNE 2016
<b>ANNUITY LOANS</b>								
DBSA	12.27%	102857	2018	1 333 333	1 333 333	-	444 444	888 889
DBSA	6.75%	103143(1)	2016	135 600	135 600	-	135 600	(0)
DBSA	6.75%	103143(2)	2018	1 006 472	1 006 472	-	263 749	742 723
DBSA	11.14%	103749	2020	9 483 706	9 483 706	-	1 508 047	7 975 659
DBSA	8.57%	WC12007362.1	2021	9 499 164	9 499 164	-	245 451	9 253 713
DBSA	8.57%	WC12007362.2	2031	889 077	889 077	-	103 272	785 805
DBSA	8.82%	1007262	2022 / 2027	10 910 885	10 910 885	-	1 030 633	9 880 252
ABSA - Capital Works 2005/2006	9.15%	40-6512-9293	2016	484 304	484 304	-	484 304	-
ABSA - Capital Works 2008/2009	Prime - 2%	40-7292-9600	2018	771 676	771 676	-	246 182	525 494
<b>Total Annuity Loans</b>				<b>34 514 217</b>	<b>34 514 217</b>	<b>-</b>	<b>4 461 682</b>	<b>30 052 535</b>

**APPENDIX B - Unaudited  
MATZIKAMA MUNICIPALITY  
DISCLOSURES OF GRANTS AND SUBSIDIES IN TERMS OF SECTION 123 OF MFMA, 56 OF 2003**

Grant Description	Balance 1 JULY 2015 R	Correction of error R	Restated Balance 1 JULY 2015 R	Contributions during the year R	Operating Expenditure during the year Transferred to Revenue R	Capital Expenditure during the year Transferred to Revenue R	Repaid to National/Provincial Revenue fund R	Balance 30 JUNE 2016 R	Unspent 30 JUNE 2016 (Creditor) R	Unpaid 30 JUNE 2016 (Debtor) R
<b>UNSPENT GOVERNMENT GRANTS AND RECEIPTS</b>										
<u><b>National Government Grants</b></u>										
Equitable Share	-		-	41 409 000	(41 409 000)	-		-	-	-
Department of Mineral Resources	414 728		414 728	2 500 000	-	(2 499 728)	(415 000)	-	-	-
FMG	-		-	1 450 000	(1 450 000)	-		-	-	-
MIG	-		-	20 716 000		(20 716 000)		-	-	-
MSIG	174 768		174 768	930 000	(892 077)	(37 691)	(175 000)	-	-	-
Neighbourhood Development	369 389	(369 389)	-	-	-	-		-	-	-
EPWP	-		-	1 000 000	(1 000 000)	-		-	-	-
DWAF	-		-	1 500 000	(56 880)	(1 443 120)		-	-	-
<b>Total National Government Grants</b>	<b>958 885</b>	<b>(369 389)</b>	<b>589 496</b>	<b>69 505 000</b>	<b>(44 807 957)</b>	<b>(24 696 539)</b>	<b>(590 000)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u><b>Provincial Government Grants</b></u>										
CDW's	-		-	144 000	(144 000)	-		-	-	-
Department of Sport and Culture	-	416 641	416 641	-	-	(416 641)		-	-	-
Library Services	-		-	5 660 000	(5 406 194)	(253 806)		-	-	-
Provincial FMG	0		-	1 455 000	(782 256)			672 744	672 744	-
Public Transport Infrastructure	-		-	59 000	(59 000)	-		-	-	-
Municipal Capacity Building Grant	500 000		500 000	-	(500 000)	-		-	-	-
Municipal Infrastructure Support Grant	-		-	300 000	(300 000)	-		-	-	-
WC Financial Support for IDP related Projects	-		-	200 000	-	(62 041)		137 959	137 959	-
Thusong services centres operational grant	-		-	200 000	(131 704)	(68 296)		(0)	-	(0)
<b>Total Provincial Government Grants</b>	<b>500 000</b>	<b>416 641</b>	<b>916 641</b>	<b>8 018 000</b>	<b>(7 323 154)</b>	<b>(800 784)</b>	<b>-</b>	<b>810 703</b>	<b>810 703</b>	<b>(0)</b>
<b>TOTAL GOVERNMENT GRANTS</b>	<b>1 458 885</b>	<b>47 252</b>	<b>1 506 137</b>	<b>77 523 000</b>	<b>(52 131 111)</b>	<b>(25 497 323)</b>	<b>(590 000)</b>	<b>810 703</b>	<b>810 703</b>	<b>-</b>
<b>TOTAL</b>	<b>1 458 885</b>	<b>47 252</b>	<b>1 506 137</b>	<b>77 523 000</b>	<b>(52 131 111)</b>	<b>(25 497 323)</b>	<b>(590 000)</b>	<b>810 701</b>	<b>810 701</b>	<b>(0)</b>

**APPENDIX C(1)- Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016  
REVENUE AND EXPENDITURE (STANDARD CLASSIFICATION)**

Description  R thousand	2015/2016							2014/15
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>Revenue - Standard</b>								
<i>Governance and administration</i>	108 793	4 381	113 174	135 066	21 892	119.3%	124.1%	118 599
Executive and council	5	–	5	27 281	27 276	545626.7%	545626.7%	12 029
Budget and treasury office	102 521	4 410	106 930	104 627	(2 303)	97.8%	102.1%	102 697
Corporate services	6 267	(29)	6 239	3 158	(3 081)	50.6%	50.4%	3 872
<i>Community and public safety</i>	11 193	113	11 307	12 333	1 027	109.1%	110.2%	11 916
Community and social services	6 055	333	6 388	6 511	124	101.9%	107.5%	5 914
Sport and recreation	2 801	(357)	2 444	2 461	16	100.7%	87.8%	2 174
Public safety	2 029	157	2 186	3 074	888	140.6%	151.5%	3 545
Housing	309	(20)	289	288	(1)	99.6%	93.1%	284
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	6 470	(247)	6 223	5 924	(298)	95.2%	91.6%	6 054
Planning and development	878	(313)	565	440	(125)	77.8%	50.1%	561
Road transport	5 591	66	5 658	5 484	(173)	96.9%	98.1%	5 493
Environmental protection	–	–	–	–	–	–	–	–
<i>Trading services</i>	150 738	(773)	149 965	143 568	(6 397)	95.7%	95.2%	134 460
Electricity	97 686	54	97 740	94 643	(3 097)	96.8%	96.9%	85 284
Water	20 032	(2 500)	17 532	15 499	(2 033)	88.4%	77.4%	17 988
Waste water management	16 705	945	17 650	16 889	(761)	95.7%	101.1%	15 796
Waste management	16 315	728	17 043	16 537	(506)	97.0%	101.4%	15 392
<i>Other</i>	–	–	–	–	–	–	–	–
<b>Total Revenue - Standard</b>	<b>277 194</b>	<b>3 474</b>	<b>280 668</b>	<b>296 892</b>	<b>16 223</b>	<b>105.8%</b>	<b>107.1%</b>	<b>271 030</b>
<b>Expenditure - Standard</b>								
<i>Governance and administration</i>	60 107	12 303	72 411	68 759	(3 652)	95.0%	114.4%	59 156
Executive and council	13 779	792	14 571	12 428	(2 143)	85.3%	90.2%	11 889
Budget and treasury office	28 152	11 927	40 079	40 553	474	101.2%	144.0%	31 618
Corporate services	18 176	(416)	17 760	15 778	(1 982)	88.8%	86.8%	15 649
<i>Community and public safety</i>	26 506	412	26 918	26 779	(139)	99.5%	101.0%	24 187
Community and social services	12 004	36	12 040	12 139	98	100.8%	101.1%	11 299
Sport and recreation	5 288	667	5 955	5 708	(248)	95.8%	107.9%	4 831
Public safety	8 498	(151)	8 347	8 357	10	100.1%	98.3%	7 542
Housing	715	(140)	575	575	(0)	99.9%	80.4%	516
Health	–	–	–	–	–	–	–	–
<i>Economic and environmental services</i>	27 513	(151)	27 362	27 224	(138)	99.5%	98.9%	24 268
Planning and development	6 393	(367)	6 026	5 495	(531)	91.2%	86.0%	4 735
Road transport	21 120	216	21 336	21 729	393	101.8%	102.9%	19 533
Environmental protection	–	–	–	–	–	–	–	–
<i>Trading services</i>	132 958	372	133 331	130 737	(2 594)	98.1%	98.3%	117 881
Electricity	89 141	(54)	89 087	89 287	199	100.2%	100.2%	80 494
Water	17 733	(548)	17 185	16 171	(1 014)	94.1%	91.2%	16 234
Waste water management	10 925	146	11 071	10 571	(500)	95.5%	96.8%	9 384
Waste management	15 159	828	15 987	14 708	(1 279)	92.0%	97.0%	11 770
<i>Other</i>	1 249	(5)	1 244	1 209	(36)	97.1%	96.7%	1 166
<b>Total Expenditure - Standard</b>	<b>248 334</b>	<b>12 931</b>	<b>261 265</b>	<b>254 707</b>	<b>(6 558)</b>	<b>97.5%</b>	<b>102.6%</b>	<b>226 659</b>
<b>Surplus/(Deficit) for the year</b>	<b>28 860</b>	<b>(9 457)</b>	<b>19 403</b>	<b>42 184</b>	<b>22 781</b>	<b>217.4%</b>	<b>146.2%</b>	<b>44 371</b>

**APPENDIX C(2)- Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016  
REVENUE AND EXPENDITURE (MUNICIPAL VOTE CLASSIFICATION)**

Description  R thousand	2015/16							2014/2015
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>Revenue by Vote</b>								
Vote 1 - Executive & Council	–	–	–	27 281	27 281	#DIV/0!	#DIV/0!	12 029
Vote 2 - Finance	102 521	4 410	106 930	104 520	(2 410)	97.7%	102.0%	102 638
Vote 3 - Corporate	1 077	537	1 613	2 127	514	131.9%	197.6%	3 084
Vote 4 - Community Services	31 999	897	32 896	33 281	385	101.2%	104.0%	31 497
Vote 5 - Public Works and Basic Ser	135 529	(1 491)	134 039	128 105	(5 934)	95.6%	94.5%	120 364
Vote 6 - Development and Town plan	6 069	(878)	5 191	1 577	(3 614)	30.4%	26.0%	1 410
				–	–	–	–	
<b>Total Revenue by Vote</b>	<b>277 194</b>	<b>3 474</b>	<b>280 668</b>	<b>296 892</b>	<b>16 223</b>	<b>105.8%</b>	<b>107.1%</b>	<b>271 022</b>
<b>Expenditure by Vote to be appropriated</b>								
Vote 1 - Executive & Council	13 762	792	14 554	12 428	(2 126)	85.4%	90.3%	11 889
Vote 2 - Finance	30 234	11 404	41 638	40 553	(1 085)	97.4%	134.1%	31 610
Vote 3 - Corporate	13 961	58	14 019	13 845	(173)	98.8%	99.2%	13 574
Vote 4 - Community Services	39 499	977	40 475	39 209	(1 266)	96.9%	99.3%	33 481
Vote 5 - Public Works and Basic Ser	141 103	24	141 126	140 035	(1 091)	99.2%	99.2%	128 120
Vote 6 - Development and Town plan	9 775	(322)	9 453	8 637	(816)	91.4%	88.4%	7 976
				–	–	–	–	
<b>Total Expenditure by Vote</b>	<b>248 334</b>	<b>12 931</b>	<b>261 265</b>	<b>254 707</b>	<b>(6 558)</b>	<b>97.5%</b>	<b>102.6%</b>	<b>226 651</b>
<b>Surplus/(Deficit) for the year</b>	<b>28 860</b>	<b>(9 457)</b>	<b>19 403</b>	<b>42 184</b>	<b>22 781</b>	<b>217.4%</b>	<b>146.2%</b>	<b>44 371</b>

**APPENDIX C(3) - Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2015  
REVENUE AND EXPENDITURE  
(EXPENDITURE BY TYPE, AND REVENUE BY SOURCE)**

Description  R thousand	2015/2016							2014/2015
	Original Budget	Budget Adjustments (i.t.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>Revenue By Source</b>								
Property rates	37 204	2 966	40 170	36 598	(3 571)	91.1%	98.4%	32 574
Property rates - penalties & collection charges	-	-	-	-	-			-
Service charges - electricity revenue	96 739	299	97 038	93 773	(3 265)	96.6%	96.9%	84 375
Service charges - water revenue	19 735	(2 500)	17 235	15 165	(2 070)	88.0%	76.8%	17 695
Service charges - sanitation revenue	13 914	5	13 919	13 010	(909)	93.5%	93.5%	12 966
Service charges - refuse revenue	13 865	4	13 869	13 275	(594)	95.7%	95.7%	12 995
Service charges - other	-	-	-	-	-			-
Rental of facilities and equipment	4 468	(827)	3 642	3 983	341	109.4%	89.1%	3 243
Interest earned - external investments	699	350	1 049	1 654	605	157.7%	236.7%	939
Interest earned - outstanding debtors	2 538	250	2 788	3 125	337	112.1%	123.1%	2 396
Dividends received	-	-	-	-	-			-
Fines	2 089	146	2 235	3 091	856	138.3%	148.0%	3 566
Licences and permits	1 829	86	1 915	1 122	(793)	58.6%	61.3%	1 125
Agency services	2 708	-	2 708	2 628	(79)	97.1%	97.1%	2 417
Transfers recognised - operational	50 788	1 567	52 355	52 131	(224)	99.6%	102.6%	49 640
Other revenue	1 801	23	1 824	4 559	2 735	249.9%	253.2%	8 918
Gains on disposal of PPE	3 839	-	3 839	-	(3 839)	0.0%	0.0%	-
<b>Total Revenue (excluding capital transfers and contributions)</b>	<b>252 214</b>	<b>2 370</b>	<b>254 584</b>	<b>244 113</b>	<b>(10 471)</b>	<b>95.9%</b>	<b>96.8%</b>	<b>232 849</b>
<b>Expenditure By Type</b>								
Employee related costs	92 755	(63)	92 692	93 529	838	100.9%	100.8%	81 364
Remuneration of councillors	6 150	(56)	6 094	5 908	(186)	96.9%	96.1%	5 642
Debt impairment	6 698	10 500	17 198	11 653	(5 546)	67.8%	174.0%	10 017
Depreciation & asset impairment	11 753	-	11 753	12 885	1 132	109.6%	109.6%	12 067
Finance charges	7 763	799	8 562	8 313	(249)	97.1%	107.1%	8 180
Bulk purchases	83 483	(400)	83 083	82 656	(428)	99.5%	99.0%	73 819
Other materials	-	-	-	-	-			-
Contracted services	121	-	121	-	(121)	0.0%	0.0%	64
Transfers and grants	975	-	975	957	(18)	98.2%	98.2%	928
Other expenditure	38 636	2 152	40 787	37 782	(3 006)	92.6%	97.8%	34 361
Loss on disposal of PPE	-	-	-	1 025	1 025			216
<b>Total Expenditure</b>	<b>248 334</b>	<b>12 931</b>	<b>261 265</b>	<b>254 707</b>	<b>(6 558)</b>	<b>97.5%</b>	<b>-2.6%</b>	<b>226 659</b>
<b>Surplus/(Deficit)</b>	<b>3 880</b>	<b>(10 562)</b>	<b>(6 681)</b>	<b>(10 594)</b>	<b>(3 913)</b>	<b>158.6%</b>	<b>-273.0%</b>	<b>6 190</b>
Transfers recognised - capital	24 980	1 104	26 084	25 497	(587)	97.7%	102.1%	26 621
Contributions recognised - capital	-	-	-	-	-	-	-	-
Contributed assets	-	-	-	27 281	27 281	100.0%	#DIV/0!	11 560
<b>Surplus/(Deficit) for the year</b>	<b>28 860</b>	<b>(9 457)</b>	<b>19 403</b>	<b>42 184</b>	<b>22 781</b>	<b>217.4%</b>	<b>146.2%</b>	<b>44 371</b>

**APPENDIX C(4) - Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016  
CAPITAL EXPENDITURE BY VOTE, STANDARD CLASSIFICATION AND FUNDING**

Description  R thousand	2015/2016							2014/2015
	Original Budget	Budget Adjustments (i.e. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>Capital expenditure - Vote</b>					-	-	-	
<b>Multi-year expenditure</b>					-	-	-	
Vote 1 - Executive & Council	150	(52)	98	104	6	105.8%	69.0%	41
Vote 2 - Finance	-	-	-	-	-	-	-	-
Vote 3 - Corporate	-	-	-	-	-	-	-	-
Vote 4 - Community Services	-	-	-	-	-	-	-	8 074
Vote 5 - Public Works and Basic Services	1 500	-	1 500	1 320	(180)	88.0%	88.0%	667
Vote 6 - Development and Townplanning Services	-	-	-	-	-	-	-	-
<b>Capital multi-year expenditure</b>	<b>1 650</b>	<b>(52)</b>	<b>1 598</b>	<b>1 424</b>	<b>(174)</b>	<b>89.1%</b>	<b>86.3%</b>	<b>8 782</b>
<b>Single-year expenditure</b>								
Vote 1 - Executive & Council	-	-	-	-	-	-	-	273
Vote 2 - Finance	245	20	265	286	21	107.8%	116.6%	-
Vote 3 - Corporate	-	-	-	-	-	-	-	84
Vote 4 - Community Services	3 746	321	4 067	3 895	(172)	95.8%	104.0%	1 419
Vote 5 - Public Works and Basic Services	23 979	332	24 311	21 195	(3 116)	87.2%	88.4%	25 198
Vote 6 - Development and Townplanning Services	150	88	238	-	(238)	-	-	67
<b>Capital single-year expenditure</b>	<b>28 120</b>	<b>760</b>	<b>28 880</b>	<b>25 376</b>	<b>(3 504)</b>	<b>88%</b>	<b>90%</b>	<b>27 041</b>
<b>Total Capital Expenditure - Vote</b>	<b>29 770</b>	<b>708</b>	<b>30 478</b>	<b>26 799</b>	<b>(3 678)</b>	<b>88%</b>	<b>90%</b>	<b>35 823</b>
<b>Capital Expenditure - Standard</b>					-	-	-	
<b>Governance and administration</b>	<b>395</b>	<b>(32)</b>	<b>363</b>	<b>459</b>	<b>96</b>	<b>126.4%</b>	<b>116.1%</b>	<b>465</b>
Executive and council	150	(52)	98	104	6	105.8%	69.0%	314
Budget and treasury office	245	20	265	253	(12)	95.3%	103.1%	-
Corporate services	-	-	-	102	102	#DIV/0!	#DIV/0!	151
<b>Community and public safety</b>	<b>1 946</b>	<b>271</b>	<b>2 217</b>	<b>2 045</b>	<b>(171)</b>	<b>92.3%</b>	<b>105.1%</b>	<b>5 608</b>
Community and social services	279	244	523	513	(10)	98.2%	184.0%	1 419
Sport and recreation	1 317	377	1 694	1 532	(162)	90.4%	116.3%	4 189
Public safety	-	-	-	-	-	-	-	-
Housing	350	(350)	-	-	-	-	-	-
Health	-	-	-	-	-	-	-	-
<b>Economic and environmental services</b>	<b>9 889</b>	<b>(1 183)</b>	<b>8 706</b>	<b>7 547</b>	<b>(1 159)</b>	<b>86.7%</b>	<b>76.3%</b>	<b>7 557</b>
Planning and development	150	88	238	129	(108)	54.4%	86.2%	-
Road transport	9 739	(1 270)	8 469	7 418	(1 051)	87.6%	76.2%	7 557
Environmental protection	-	-	-	-	-	-	-	-
<b>Trading services</b>	<b>17 540</b>	<b>1 652</b>	<b>19 192</b>	<b>19 722</b>	<b>530</b>	<b>102.8%</b>	<b>112.4%</b>	<b>22 193</b>
Electricity	2 700	600	3 300	2 425	(875)	73.5%	89.8%	1 507
Water	9 050	30	9 080	7 990	(1 090)	88.0%	88.3%	1 673
Waste water management	3 890	790	4 680	4 467	(213)	95.4%	114.8%	10 685
Waste management	1 900	232	2 132	4 839	2 708	227.0%	254.7%	8 329
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Capital Expenditure - Standard</b>	<b>29 770</b>	<b>708</b>	<b>30 478</b>	<b>29 773</b>	<b>(705)</b>	<b>98%</b>	<b>100%</b>	<b>35 823</b>
<b>Funded by:</b>					-	-	-	
National Government	24 716	-	24 716	24 697	(19)	99.9%	99.9%	24 611
Provincial Government	264	1 104	1 368	801	(568)	58.5%	303.3%	1 641
District Municipality	-	-	-	-	-	-	-	-
Other transfers and grants	-	-	-	-	-	-	-	-
<b>Transfers recognised - capital</b>	<b>24 980</b>	<b>1 104</b>	<b>26 084</b>	<b>25 497</b>	<b>(587)</b>	<b>98%</b>	<b>102%</b>	<b>26 251</b>
<b>Public contributions &amp; donations</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Borrowing</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Internally generated funds</b>	<b>4 790</b>	<b>(397)</b>	<b>4 393</b>	<b>4 275</b>	<b>(118)</b>	<b>97.3%</b>	<b>89.3%</b>	<b>9 572</b>
<b>Total Capital Funding</b>	<b>29 770</b>	<b>708</b>	<b>30 478</b>	<b>29 773</b>	<b>(705)</b>	<b>98%</b>	<b>100%</b>	<b>35 823</b>



**APPENDIX C(5) - Unaudited  
MATZIKAMA MUNICIPALITY  
NATIONAL TREASURY APPROPRIATION STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016  
CASH FLOWS**

Description	2015/2016							2014/2015
	Original Budget	Budget Adjustments (i.i.o. MFMA s28)	Final adjustments budget	Actual Outcome	Variance of Actual Outcome against Adjustments Budget	Actual Outcome as % of Final Budget	Actual Outcome as % of Original Budget	Restated Audited Outcome
<b>R thousand</b>								
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>								
<b>Receipts</b>					-	-	-	
Property rates, penalties & collection charges	34 731	2 225	36 956	36 598	(358)	99.0%	105.4%	32 574
Service charges	134 667	(3 972)	130 695	120 216	(10 479)	92.0%	89.3%	128 031
Other revenue	11 900	(591)	11 309	15 276	3 968	135.1%	128.4%	(462)
Government - operating	50 788	1 567	52 355	52 432	77	100.1%	103.2%	50 870
Government - capital	24 980	1 104	26 084	24 501	(1 583)	93.9%	98.1%	21 344
Interest	3 068	408	3 475	4 779	1 303	137.5%	155.8%	3 336
Dividends	-	-	-	-	-	-	-	-
<b>Payments</b>					-	-	-	
Suppliers and employees	(213 531)	(6 989)	(220 520)	(219 223)	1 296	99.4%	102.7%	(190 821)
Finance charges	(3 375)	49	(3 326)	(3 389)	(63)	101.9%	100.4%	(3 768)
Transfers and Grants	(975)	-	(975)	(957)	18	98.2%	98.2%	(928)
<b>NET CASH FROM/(USED) OPERATING ACTIVITIES</b>	<b>42 254</b>	<b>(6 199)</b>	<b>36 055</b>	<b>30 233</b>	<b>(5 822)</b>	<b>83.9%</b>	<b>71.6%</b>	<b>40 174</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					-	-	-	
<b>Receipts</b>					-	-	-	
Proceeds on disposal of PPE	3 839	-	3 839	690	-	-	-	(0)
Decrease (increase) in non-current debtors	-	-	-	158	-	-	-	551
Decrease (increase) other non-current receivables	-	(5)	(5)	-	5	-	-	-
Decrease (increase) in non-current investments	-	-	-	-	-	-	-	-
<b>Payments</b>					-	-	-	
Capital assets	(29 770)	(708)	(30 478)	(26 998)	3 480	88.6%	90.7%	(27 533)
<b>NET CASH FROM/(USED) INVESTING ACTIVITIES</b>	<b>(25 931)</b>	<b>(713)</b>	<b>(26 644)</b>	<b>(26 150)</b>	<b>494</b>	<b>98.1%</b>	<b>100.8%</b>	<b>(26 982)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>					-	-	-	
<b>Receipts</b>					-	-	-	
Short term loans	-	-	-	-	-	-	-	-
Borrowing long term/refinancing	-	-	-	-	-	-	-	-
Increase (decrease) in consumer deposits	229	693	922	156	(765)	17.0%	68.3%	869
<b>Payments</b>					-	-	-	
Repayment of borrowing	(8 029)	3 590	(4 439)	(4 462)	(22)	100.5%	55.6%	(6 028)
<b>NET CASH FROM/(USED) FINANCING ACTIVITIES</b>	<b>(7 800)</b>	<b>4 283</b>	<b>(3 518)</b>	<b>(4 305)</b>	<b>(788)</b>	<b>122.4%</b>	<b>55.2%</b>	<b>(5 158)</b>
<b>NET INCREASE/ (DECREASE) IN CASH HELD</b>	<b>8 522</b>	<b>(2 629)</b>	<b>5 893</b>	<b>(222)</b>	<b>(6 115)</b>	<b>-3.8%</b>	<b>-2.6%</b>	<b>8 034</b>
Cash/cash equivalents at the year begin:	1 804	8 929	10 733	10 733	0	100.0%	595.1%	2 699
Cash/cash equivalents at the year end:	10 326	6 300	16 626	10 511	(6 903)	63.2%	101.8%	10 733

# **ANNEXURE B**

# **Report of the auditor-general to the Western Cape Provincial Parliament and the council on Matzikama Municipality**

## **Report on the financial statements**

### **Introduction**

1. I have audited the financial statements of the Matzikama Municipality set out on pages 3 to 72, which comprise the statement of financial position as at 30 June 2016, the statement of financial performance, statement of changes in net assets, cash flow statement and statement of comparison of budget and actual amounts for the year then ended, as well as the notes, comprising a summary of significant accounting policies and other explanatory information.

### **Accounting officer's responsibility for the financial statements**

2. The accounting officer is responsible for the preparation and fair presentation of these financial statements in accordance with South African Standards of Generally Recognised Accounting Practice (SA Standards of GRAP) and the requirements of the Municipal Finance Management Act of South Africa, 2003 (Act No. 56 of 2003) (MFMA) and the Division of Revenue Act of South Africa, 2015 (Act No. 1 of 2015) (DoRA), and for such internal control as the accounting officer determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor-general's responsibility**

3. My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with International Standards on Auditing. Those standards require that I comply with ethical requirements, and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
4. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the municipality's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the municipality's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

5. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

## **Opinion**

6. In my opinion, the financial statements present fairly, in all material respects, the financial position of the Matzikama Municipality as at 30 June 2016 and its financial performance and cash flows for the year then ended, in accordance with SA Standards of GRAP and the requirements of the MFMA and DoRA.

## **Emphasis of matters**

7. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Restatement of corresponding figures**

8. As disclosed in note 39 to the financial statements, the corresponding figures for 30 June 2015 have been restated as a result of errors discovered during the 2015-16 financial year in the financial statements of the municipality at, and for the year ended, 30 June 2015.

## **Material losses/impairments**

9. As disclosed in note 44.4 to the financial statements, the municipality incurred electricity distribution losses of 14.20% or 11 658 420Kwh during the year under review.
10. As disclosed in note 16 to the financial statements, the municipality has provided for impairment of receivables from exchange and non exchange transactions amounting to R43.4 million.

## **Additional matters**

11. I draw attention to the matters below. My opinion is not modified in respect of these matters.

## **Unaudited supplementary schedules**

12. The supplementary information set out on pages 74 to 81 does not form part of the financial statements and is presented as additional information. I have not audited these schedules and accordingly I do not express an opinion thereon.

## **Unaudited disclosure notes**

13. In terms of section 125(2)(e) of the MFMA, the municipality is required to disclose particulars of non-compliance with the MFMA. This disclosure requirement did not form part of the audit of the financial statements and, accordingly, I do not express an opinion thereon.



## Report on other legal and regulatory requirements

14. In accordance with the Public Audit Act of South Africa, 2004 (Act No. 25 of 2004) (PAA) and the general notice issued in terms thereof, I have a responsibility to report findings on the reported performance information against predetermined objectives for selected objectives presented in the annual performance report, compliance with legislation and internal control. The objective of my tests was to identify reportable findings as described under each subheading, but not to gather evidence to express assurance on these matters. Accordingly, I do not express an opinion or conclusion on these matters.

### Predetermined objectives

15. I performed procedures to obtain evidence about the usefulness and reliability of the reported performance information of the following selected objectives presented in the annual performance report of the Matzikama municipality for the year ended 30 June 2016:
- Objective 1: facilitate development and growth of the local economy of the Matzikama Municipal area with the intent to create opportunities that will reduce poverty and unemployment on page 7.
  - Objective 6: to promote access to adequate, affordable and well maintained municipal basic services on pages 12 to 15.
16. I evaluated the usefulness of the reported performance information to determine whether it was consistent with the planned objectives. I further performed tests to determine whether indicators and targets were well defined, verifiable, specific, measurable, time bound and relevant, as required by the National Treasury's Framework for Managing Programme Performance Information.
17. I assessed the reliability of the reported performance information to determine whether it was valid, accurate and complete.
18. I did not identify any material findings on the usefulness and reliability of the reported performance information for the selected objectives.

### **Additional matters**

19. Although I identified no material findings on the usefulness and reliability of the reported performance information for the selected objectives, I draw attention to the following matters:

#### Achievement of planned targets

20. Refer to the annual performance report on pages 7 to 15 for information on the achievement of the planned targets for the year.

#### Adjustment of material misstatements

21. I identified material misstatements in the annual performance report submitted for auditing. These material misstatements were on the reported performance information of objective 6: To promote access to adequate, affordable and well maintained

municipal basic services. As management subsequently corrected the misstatements, I did not identify material findings on the usefulness and reliability of the reported performance information.

## Unaudited supplementary schedules

22. The supplementary information set out on pages 15 to 68 does not form part of the annual performance report and is presented as additional information. We have not audited these schedules and, accordingly, we do not express a conclusion on them.

## Compliance with legislation

23. I performed procedures to obtain evidence that the municipality had complied with applicable legislation regarding financial matters, financial management and other related matters. I did not identify any instances of material non-compliance with specific matters in key legislation, as set out in the general notice issued in terms of the PAA.

## Internal control

24. I considered internal control relevant to my audit of the financial statements, the annual performance report and compliance with legislation. I did not identify any significant deficiencies in internal control.

*Auditor-General*

Cape Town

30 November 2016



AUDITOR-GENERAL  
SOUTH AFRICA

*Auditing to build public confidence*